Calendar No. 2016

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1999

RELATING TO THE ISSUANCE OF CERTAIN PATENTS IN FEE TO LANDS WITHIN THE BLACKFEET INDIAN RESERVATION, MONT.

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. MURRAY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 4604]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 4604) relating to the issuance of certain patents in fee to lands within the Blackfeet Reservation, Mont., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

The purpose of H. R. 4604, as amended and passed by the House, is to authorize and direct the Secretary of the Interior to issue, on application, certain patents in fee to lands located within the Blackfeet Indian Reservation in Montana. The lands involved are owned by the tribe but are assigned to individual Indians.

The bill authorizes the Secretary of the Interior upon individual application to issue to each holder of an exchange assignment on the Blackfeet Indian Reservation a patent to the lands covered by exchange assignments issued under the tribal constitution. Subject to the approval of the tribal council, these exchange assignments give the holder a right to occupancy and use with certain conditional rights to leasing and to designate successors. Historically they were issued in exchange for conveyances to the tribe of title to the same or other land that was owned by individual Indians.

The bill provides that the patent shall include all oil, gas, coal, and other minerals in the land unless the Indian to whom the patent is issued reserved the right to the minerals in the land that was previ-

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ously transferred by him to the tribe or unless he did not have the right to the minerals in the land so transferred.

The patent shall be in fee in cases where the Secretary of the Interior believes the applicants to be legally competent and shall be a trust patent if the applicants are considered legally incompetent. The bill provides that the trust so created may be terminated when the patentee becomes legally competent.

The Blackfeet Indian Tribal Council requested the enactment of this legislation by the adoption of resolutions No. 33–54, dated September 2, 1954, and No. 80–54, dated February 15, 1955, set forth below.

RESOLUTION No. 33–54

Whereas the Blackfeet Indian Tribe has acquired title to trust patent Indian land as a result of trades between individual allotted Indians or the purchase by one Indian from another Indian with the consent and approval of the Secretary of the Interior, without any cost whatever to the Blackfeet Indian Tribe. The land so acquired by the tribe was then given to the individual Indian on an exchange assignment, revocable at the pleasure of the tribe; and

Whereas the Blackfeet Indian Tribe is desirous of correcting this unfair condition which deprived the individual Indians of their land without any compensation whatever; and

Whereas the Indians involved are:

4705. Wayne Welch: NW¼SW¼ sec. 25, T. 33 N., R. 8 W.
2304. Paul Calflooking: SW¼NW¼ sec. 36, T. 33 N., R. 8 W.
1373. Greengrass Bull: NE¼SE¼, SE¼SE¼ sec. 14, T. 34 N., R. 10 W.
1569. Millie Momberg: SW¼SE¼ sec. 26, T. 33 N., R. 11 W.
1522. Louis J. Momberg: SE¼SW¼ sec. 26, T. 33 N., R. 11 W.
2404. Guy Williamson: SE¼SW¼ Lot 4, sec. 7, T. 32 N., R. 11 W., S½SE¼ sec. 12, NE¼ sec. 13, T. 32 N., R. 12 W.
2402. Harvey Williamson: W½NW¼NE¼, E½NE¼NW¼ sec. 20, T. 33 N., R. 11 W.
1077. Celena Wren O'Brien Monroe: SE¼ sec. 13, T. 37 N., R. 8 W.
2633. Nellie Henault: NE¼NW¼ sec. 29, T. 33 N., R. 7 W.
2592. Stephen Afterbuffalo: E½NE¼, NE¼SE¼, S½SE¼ sec. 34, N½NW¼, SW¼NW¼ sec. 35, T. 36 N., R. 11 W.
2852. Lorraine Dennis Crawford: N½ sec. 2, T. 36 N., R. 9 W.
1525. Ray Momberg: E½SE¼ sec. 11, SW¼SW¼ sec. 12, T. 33 N., R. 7 W., NE¼SE¼ sec. 15, T. 33 N., R. 7 W.

Now, therefore, be it

Resolved. That the Congress of the United States of America be requested to pass appropriate legislation to restore title to the individual Indians.

THE BLACKFEET TRIBE OF THE BLACKFEET INDIAN RESERVATION
By G. G. KIPP, *Vice Chairman.*

Attest:

——— ———, *Secretary.*

CERTIFICATION

I hereby certify that the above foregoing resolution was adopted by the Blackfeet Tribal Council at a duly called, noticed and convened, regular session assembled the 2d day of September 1954, with 10 members present to constitute a quorum.

——— WETZEL,
Secretary.

RESOLUTION NO. 80–54

Whereas, in past years, members of the Blackfeet Tribe have applied for and received exchange assignments of tribal land under section 6 of article VII of the Constitution and Bylaws of the Blackfeet Tribe of the Blackfeet Indian Reservation (an Indian-chartered corporation incorporated under the act of June 18, 1934 (48 Stat. 984),); and

Whereas, several members of the tribe, the names of whom appear on pages 2 and 3 of this resolution, acting through a common representative, appealed to the Blackfeet Tribal Council to transfer title to them for the lands which they had received in exchange in the same manner as though the land had been actually traded for and appropriate deeds issued therefor; and

Whereas, the Blackfeet Tribal Council approved this request September 2, 1954, and adopted resolution 33–54 resolving "That the Congress of the United States of America be requested to pass appropriate legislation to restore title to the individual Indians"; and

Whereas, due to an oversight, no mention was made of mineral rights in and to the land which the individual acquired from the Blackfeet Tribe through the exchange assignments and it is now the desire of the Blackfeet Tribe to clarify their intentions as to these mineral rights: Now, therefore, be it

Resolved, That as the Blackfeet Tribal Council has repeatedly stated their policy in trades involving land owned by the Blackfeet Tribe (this policy being that in all land trades with the Blackfeet Tribal Council each grantor shall retain the minerals to the land offered by him and no minerals shall be transferred) the same policy shall apply to any legislation or any patents in fee, deeds or other conveyances issued pursuant to such legislation, which may be approved as a result of authority contained in resolution 33–54, and such legislation, patents in fee and/or deeds shall contain the reservation of all minerals in and to lands listed on pages 2 and 3 of this legislation for the use and benefit of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont.

Attest:

THE BLACKFEET TRIBE OF THE BLACKFEET INDIAN RESERVATION.
By ROBERT LA FROMBOISE, *Chairman.*
——— ———, *Secretary.*

CERTIFICATION

I hereby certify that the foregoing resolution was unanimously adopted by the Blackfeet Tribal Council in duly called, noticed, and convened special session assembled the 15th day of February 1955, with 10 members present to constitute a quorum.

[SEAL]

——— ———,
Secretary, Blackfeet Tribal Council.

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The favorable report of the Secretary of the Interior dated July 13, 1955, is as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., July 13, 1955.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: Your committee has requested a report on H. R. 4604, a bill relating to the issuance of certain patents in fee to lands within the Blackfeet Indian Reservation, Mont.

We recommend that the bill be enacted if it is amended as suggested below.

The bill directs the Secretary of the Interior to issue to each of 12 specified persons a patent in fee to the land described after his name. The patent would reserve to the tribe the minerals in the land.

The lands involved are owned by the tribe but are assigned to the 12 persons named in the bill by exchange assignments that were issued under article VII, section 6, of the tribal constitution. These exchange assignments give the holder a right of occupancy and use with certain conditional rights to lease and to designate successors, subject to approval of the tribal council. They were issued in exchange for conveyances to the tribe of title to the same or other land that was owned by the individual Indians.

The Blackfeet Tribal Council by resolutions No. 33–54 dated September 2, 1954, and No. 80–54 dated February 15, 1955, requested the enactment of appropriate legislation to give the 12 designated Indians title to the lands they now hold under exchange assignments, reserving the minerals in such lands to the tribe. We understand that these 12 persons are all of the Indians who presently hold exchange assignments. We concur in the proposal to give them more secure tenure and ownership rights.

The bill requires the issuance of patents in fee. Inasmuch as we do not have reports regarding the competency of all of the individuals named, we recommend that the bill be amended to authorize the issuance of a patent in fee to the holder of the exchange assignment if he is able to manage his own affairs without governmental assistance, and the issuance of a trust patent if he needs assistance.

In order to avoid the necessity for checking recorded land descriptions, and in order to make certain that the bill applies to all holders of exchange assignments, we recommend that the bill be amended to use general language rather than refer to the 12 individuals. We also suggest that the Secretary be directed to issue trust or fee patents only upon application of the Indian concerned. This will remove any basis for opposition on the part of the individual Indian.

The bill requires that the minerals in the land be reserved to the tribe. Although this provision is in accord with the tribal resolutions, we believe that such reservation would be fair only if the Indian reserved or did not own the minerals in the land that was conveyed to the tribe in exchange for the assignment. If the Indian conveyed no minerals to the tribe he is not entitled to the minerals in the land that was acquired by exchange. If he conveyed minerals to the tribe, however, he should receive the minerals in the land covered by the exchange assignment.

These recommended amendments can be made by deleting everything after the enacting clause and by inserting in lieu thereof the following: "the Secretary of the Interior is authorized, on application therefor, to issue to each holder of an exchange assignment on the Blackfeet Indian Reservation, Mont., a patent to the lands that are covered by such exchange assignment. The patent shall include all oil, gas, coal, and other minerals in the land unless the Indian to whom the patent is issued reserved the right to such minerals in the land that was transferred by him to the tribe, or unless he did not have the right to such minerals in the land so transferred. The patent shall be a patent in fee if in the judgment of the Secretary the applicant is able to manage his own affairs without governmental assistance, and shall be a trust patent if the Secretary determines that the applicant needs governmental assistance in handling his affairs. Any trust created by such patent may be terminated by the Secretary when in his judgment the need therefor has ended."

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

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Calendar No. 2018

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2001

REPEALING LEGISLATION RELATING TO THE GALLUP-DURANGO HIGHWAY AND THE GALLUP-WINDOW ROCK HIGHWAY AT THE NAVAHO INDIAN RESERVATION

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 6374]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 6374) to repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navaho Indian Reservation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

The purpose of H. R. 6374 is to repeal legislation relating to the Gallup-Durango and Gallup-Window Rock Highways on the Navaho Indian Reservation. Its enactment will relieve the Navaho Tribe of reimbursement obligations, if any, already accrued, and from future reimbursement obligations which might arise under existing legislation dealing with the cost of maintaining certain highways that cross the Navaho Indian Reservation.

The act of June 7, 1924 (43 Stat. 606), as amended by the act of May 28, 1941 (55 Stat. 207), authorizes an annual appropriation of $20,000 to be used for the maintenance of the portion of the Gallup-Durango Highway (U. S. 666) that crosses the Navaho Indian Reservation from Gallup, N. Mex., to Shiprock, N. Mex., and for the maintenance of New Mexico State Highway 68 from Gallup to Window Rock, Ariz., which also serves the Navaho Reservation. The act of 1924, as amended, provides that funds so appropriated and used must be reimbursed from the tribal funds of the Navaho Indians.

In Executive Communication 815 dated May 16, 1955, the Secretary of the Interior stated that the Gallup-Durango Highway is an

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integral part of the New Mexico highway system and thus it should not be a responsibility of the Bureau of Indian Affairs. In 1951 the New Mexico Highway Commission assumed responsibility for the maintenance of U. S. Highway 666 and dropped New Mexico State Highway 68 from its system. By agreement with the State, the Bureau of Indian Affairs took up the former State Highway 68 from U. S. Highway 666 to Window Rock on the Indian Bureau road system. The $20,000 annual appropriation authorization was never sufficient for even routine maintenance work on the highways. Since the 1951 agreement the $20,000 appropriation item has been omitted from the annual appropriation acts and no separate authorization or appropriation is required to carry out the responsibility of the Bureau of Indian Affairs under the arrangements with the State of New Mexico.

The Navaho Tribe has not reimbursed any of the funds appropriated pursuant to the 1924 act, as amended. The Leavitt Act of 1932 (25 U. S. C. 386a) provided authority for cancellation of the reimbursable obligation of $50,410.91 which was on the books on June 30, 1932. Since this time, a further reimbursable obligation of $350,068.24 has been incurred by the tribe. The accrual of reimbursable obligations has ceased since the Gallup-Window Rock Highway (Highway 68) is no longer a part of the State road system and its maintenance is no longer subject to the 1924 act, as amended.

Collections from the Navahos were not made prior to 1951 because the tribe had only limited funds and a Federal appropriation would have been necessary to meet the obligations, and, as stated above, the $20,000 item has not been placed in the budget since 1951 because of the transfer of authority for highways.

The executive communication of the Department of the Interior dated May 16, 1955, requesting the introduction of this legislation is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 16, 1955.

Hon. RICHARD M. NIXON,
President of the Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navaho Indian Reservation.

We recommend that the proposed bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The act of June 7, 1924 (43 Stat. 606), as amended by the act of May 28, 1941 (55 Stat. 207), authorizes an annual appropriation of $20,000 to be used for the maintenance of the portion of the Gallup-Durango Highway (U. S. 666) that crosses the Navaho Indian Reservation from Gallup, N. Mex., to Shiprock, N. Mex., and for the maintenance of New Mexico State Highway 68 from Gallup to Window Rock, Ariz., which also serves the Navaho Reservation. The funds so appropriated and used must be reimbursed from the tribal funds of the Navaho Indians.

The Gallup-Durango Highway is an integral part of the New Mexico highway system, carrying mainly State highway traffic, and its maintenance should not be a responsibility of the Bureau of

Indian Affairs. Moreover, the $20,000 annual appropriation authorization has not been sufficient for even routine maintenance work on the two highways. In 1951, the New Mexico Highway Commission assumed the entire responsibility for the maintenance of U. S. 666 between Gallup and Shiprock, and dropped New Mexico State Highway 68 between Gallup and Window Rock from its system. By agreement with the State, the Indian Bureau took up the former State Highway 68 from U. S. 666 to Window Rock on the Indian Bureau road system. Since this agreement the $20,000 appropriation item has geen omitted from the annual appropriation acts, and no separate authorization or appropriation is needed to carry out the responsibility of the Bureau of Indian Affairs under the arrangement with the New Mexico Highway Commission.

No funds appropriated pursuant to the 1924 act, as amended, have ever been reimbursed by the Navahos. The reimbursable obligation of $59,410.91, which was on the books as of June 30, 1932, was canceled under the Leavitt Act (25 U. S. C. 386a). Since June 30, 1932, a further reimbursable obligation of $350,068.24 has been incurred by the tribe. No reimbursable obligations are presently accruing, however, because the Gallup-Window Rock road is no longer a part of the State road system and the maintenance of the road is no longer subject to the 1924 act, as amended.

The bill will relieve the Navaho Tribe from reimbursement obligations already accrued and from future reimbursement obligations under the existing legislation. The burden of maintaining such main thoroughfares is not primarily a tribal obligation, as the roads are used by the general public. Moreover, the cost of construction and maintenance of roads on Indian reservations has, in general, been assumed entirely by the Federal Government. To assess the Navaho Tribe for the maintenance of the particular roads here involved is inequitable and discriminatory.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

A BILL To repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navajo Indian Reservation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 7, 1924 (ch. 318, 43 Stat. 606), as amended by the Act of May 28, 1941 (ch. 137, 55 Stat. 207), is hereby repealed, and the tribal funds of the Navajo Indians are relieved of all reimbursable obligations incurred under such Act.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (H. R. 6374), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

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ACT OF JUNE 7, 1924 (CH. 318, 43 STAT. 606), AS AMENDED BY THE ACT OF MAY 28, 1941 (CH. 137, 55 STAT. 207)

[There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the sum of $20,000, or so much thereof as may be necessary for each fiscal year, to be expended under the direction of the Secretary of the Interior, for maintenance of that portion of the Federal-aid highway from Gallup, New Mexico, to Shiprock, New Mexico, across the Navajo Indian Reservation and that portion of the State highway in New Mexico between Gallup, New Mexico, and Window Rock, Arizona, serving the Navajo Reservation, reimbursable from the tribal funds of the Indians of said reservation: *Provided*, That Indian labor shall be employed as far as practicable: *And provided further*, That if no funds are available no expenditure shall be made.]

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Calendar No. 2019

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2002

AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONTRACT WITH THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT OF NEW MEXICO FOR THE PAYMENT OF OPERATION AND MAINTENANCE CHARGES ON CERTAIN PUEBLO INDIAN LANDS

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 9207]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 9207) to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

The purpose of H. R. 9207 is to extend until 1965 the authority of the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges assessed on certain lands belonging to Pueblo Indians within the district.

The Middle Rio Grande Conservancy District was created in 1927 for the purpose of constructing a modern irrigation and flood-control project. Although the lands belonging to six Pueblo Indian groups were within the exterior boundaries of the proposed district, the Indians had little interest in participating in the project for the reasons that their farming operations were of a noncommercial nature and their ability to pay construction and operation and maintenance costs was uncertain. In order to go on with the project and to tie the Indian land onto the new works, Congress appropriated on a reimbursable basis the funds for the Indians' share of the construction costs. The total reimbursable construction charges assessed against

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the Pueblo lands were $1,357,354.36, and were canceled under the Leavitt Act of July 1, 1932 (47 Stat. 864; 25 U. S. C. 386a).

Legislation has been enacted and extended from time to time, authorizing the Secretary of the Interior to enter into agreements with the Middle Rio Grande Conservancy District to pay operation and maintenance charges on the Indians' land, and Congress has regularly appropriated money for this purpose. The Federal appropriations have covered only charges assessed against the newly reclaimed Pueblo lands and the lands purchased by the United States for the Pueblos. The Pueblo lands that were adequately irrigated before the project was constructed were not subject to assessment. The newly reclaimed Pueblo lands included 11,074.40 acres; the purchased lands included 803.94 acres; and the Pueblo lands that were adequately irrigated when the project was constructed included 8,847 acres. The total acreage benefited by the project, including both Indian and non-Indian land, is approximately 117,000 acres.

The reimbursable operation and maintenance charges paid by the United States to the conservancy district through 1953 totaled $231,058.94. Of that sum, the reimbursable obligation of the Indians for $161,607.04 was canceled on December 18, 1952, pursuant to the Leavitt Act. The reimbursable operation and maintenance charges that remained uncanceled at the end of 1953 were $69,451.90.

These Pueblo Indians still farm on a subsistence basis, with average-sized farms being less than 10 acres. The committee believes it would be in the best interests of the Indians as well as the Middle Rio Grande Conservancy District if the payments now made by the United States were continued as provided in H. R. 9207.

The executive communication of the Department of the Interior requesting the introduction of this legislation is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., January 31, 1956.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington 25, D. C.

MY DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands.

We recommend that the bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico, was created in 1927 with an objective of planning, constructing and operating a coordinated modern irrigation and flood-control project. Within the external boundaries of this district are six Pueblo Indian groups that have drawn on the Rio Grande for uninterrupted water since prehistoric times. These Pueblo lands were included along with the non-Indian lands in the comprehensive plans for the district in order to provide benefits to the Indian land by such new and permanent facilities as storage, diversion dams, distribution canals, drainage channels, and flood protection works.

At the inception of this project, the Indians were not particularly interested in being included, primarily because they were afraid that they would be unable to pay the assessment against their land for original construction costs and for operation and maintenance costs. With the average-sized farm being less than 10 acres, it was easy to see that no commercial farming could be undertaken. Practically everything raised is consumed within the family. The Indians knew they would be unable to obtain cash to pay any kind of assessments. The promoters of the district also knew that the Indians were not able to pay the costs of construction and operation and maintenance. In order, then, to go on with the project and to tie the Indian land onto the new works, Congress appropriated on a reimbursable basis the money for the Indians' share of the cost of construction, and has been regularly appropriating money to cover the Indians' proportion of the annual cost of operation and maintenance, also on a reimbursable basis.

The Federal appropriations have covered only charges assessed against the newly reclaimed Pueblo lands and the lands purchased by the United States for the Pueblos. The Pueblo lands that were adequately irrigated before the project was constructed were not subject to assessment. The newly reclaimed Pueblo lands included 11,074.40 acres; the purchased lands included 803.94 acres; and the Pueblo lands that were adequately irrigated when the project was constructed included 8,847 acres. The total acreage benefited by the project, including both Indian and non-Indian land, is approximately 117,000 acres.

The act of August 27, 1935 (49 Stat. 887), authorized the Secretary of the Interior to enter into an agreement with the Middle Rio Grande Conservancy District to pay operation and maintenance charges assessed against the newly reclaimed Indian lands and purchased lands for a period not to exceed 5 years. Under this act two agreements were made: One dated September 4, 1936, which covered the years 1935 and 1936, and the other dated April 8, 1938, which covered the years 1937, 1938, and 1939.

The act of June 20, 1938 (52 Stat. 779), extended the provisions of the previous act of August 27, 1935, for an additional 5 years to 1945. An agreement dated May 6, 1943, was entered into under the provisions of the act of June 20, 1938, covering the years 1940 through 1944.

The act of April 24, 1946 (60 Stat. 121), extended the provisions of the earlier acts for an additional period of 10 years to 1955. An agreement dated February 10, 1947, was entered into under the act of April 24, 1946, covering the years 1945 through 1954.

On September 24, 1951, the Bureau of Reclamation contracted with the conservancy district under authority of the several Reclamation Acts (act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto including the act of June 30, 1948 (62 Stat. 1171) and the act of May 17, 1950 (64 Stat. 163)) to rehabilitate and extend the project works. On January 4, 1955, an amendatory contract set the date of February 1, 1955, as the date for the Bureau of Reclamation to take over operation and maintenance of the works with the district responsible for making and collecting assessments against land and property owners. These contracts do not make any changes in the working relationships between the Middle Rio Grande Conservancy District and the Federal Government with

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respect to operation and maintenance payments assessed against Indian lands. Section 13 (e) of the 1951 contract contemplates the continuance of this relationship, in the following words:

"(e) In the event and to the extent funds are continued to be made available by appropriation to pay the Indian share of the cost of operation and maintenance of the district works, allocated to the newly reclaimed Indian lands as provided in the contract referred to in article 7 hereof, the district will be relieved in like amount of its obligations to pay the cost of operation and maintenance of the district works. In the event of failure of appropriations to meet the Indian share of the cost of operation and maintenance of the district works the district shall pay the entire cost thereof; provided, however, that the contracting parties hereto agree to use their best efforts to obtain continuing appropriations from the Congress for the purposes expressed in this paragraph, but in any event the duty of the district or the operator of said works to deliver the water to which the Indian lands are entitled and to do the operation and maintenance work for the benefit of Indian lands shall not be changed by the provisions hereof so as to affect adversely the rights of the Indians or Indian lands."

As of this date the Pueblo Indians are still farming on a subsistence basis (crops consumed within the family and little cash income from farming), with average-sized farms being less than 10 acres. The reimbursable funds paid by the United States to the conservancy district are for the purpose of operating and maintaining district irrigation facilities to the exterior boundary of the Indian pueblos. The Indians themselves, however, operate and maintain the irrigation distribution systems within the pueblos. The justification for enactment of a new authorizing statute is just as strong today as it was when the act of August 27, 1935, and subsequent authorizing statutes were passed and a procedure was established whereby annual operation and maintenance costs apportioned to Indian lands were covered by congressional appropriations.

The formula for computing operation and maintenance charges is as follows:

A=Total annual operation and maintenance costs	Dollars
B=Charges against other than agricultural lands	Dollars
C=A−B=Total charges against agricultural lands	Dollars
D=Indian lands exempt from operation and maintenance charges	Acres
E=Indian lands subject to operation and maintenance charges	Acres
F=D+E=Total Indian lands in district	Acres
G=Non-Indian agricultural land subject to operation and maintenance	Acres
H=F+G=Total agricultural land in district	Acres
J=C÷H=Cost per agricultural acre	Dollars
K=E×J=Charge against Indian lands	Dollars

The reimbursable operation and maintenance charges paid by the United States to the conservancy district through 1953 totaled $231,058.94. Of that sum, the reimbursable obligation of the Indians for $161,607.04 was canceled on December 18, 1952, pursuant to the Leavitt Act of July 1, 1932 (47 Stat. 564; 25 U. S. C. 386a). The reimbursable operation and maintenance charges that remained uncanceled at the end of 1953 were $69,451.90.

The total reimbursable construction charges assessed against the Pueblo lands were $1,357,354.36, and the entire sum has been canceled under the Leavitt Act.

For nearly 20 years the district has depended on appropriations from Congress to cover the proportion of operation and maintenance costs charged against Indian lands. If the United States should discontinue these payments, the district non-Indian interests would reluctantly have to absorb the costs assigned to Indian land, and serious friction between Indian and non-Indian farmers will result. Moreover, it is not clear whether the district would be entitled to withhold water from the newly acquired and purchased Indian lands if the assessments were not paid.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

A BILL To authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of August 27, 1935 (49 Stat. 887), as amended by section 5 of the Act of June 20, 1938 (52 Stat. 779), and by the Act of April 24, 1946 (60 Stat. 121), authorizing the Secretary of the Interior to provide by agreement with the Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for the payment of operation and maintenance charges on newly reclaimed Pueblo Indian lands and lands purchased by the United States by virtue of the Act of June 7, 1924 (43 Stat. 636), as amended, for certain Pueblo Indians, are hereby extended for an additional period of ten years to 1965.

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Calendar No. 2020

84TH CONGRESS, 2d Session } SENATE { REPORT No 2003

AMENDING SECTION 1 OF THE ACT OF AUGUST 9, 1955 (69 STAT. 555), AUTHORIZING THE SALE OF CERTAIN LAND BY THE PUEBLOS OF SAN LORENZO AND POJOAQUE

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3547]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3547) to amend section 1 of the act of August 9, 1955 (69 Stat. 555), authorizing the sale of certain land by the pueblos of San Lorenzo and Pojoaque, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The act of August 9, 1955 (69 Stat. 555), authorized the pueblos of San Lorenzo and Pojoaque in the State of New Mexico to sell certain tribal lands to the Navaho Tribe.

In setting forth the land authorized to be sold under the 1955 act, the Bureau of Indian Affairs erred in the land descriptions. This proposed legislation is necessary in order that the transactions contemplated in the act of August 9, 1955, may be carried out between the Navaho Tribe and the two pueblos.

The Department of the Interior report on S. 3547 follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., April 25, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR MURRAY: Your committee has requested a report on S. 3547, a bill to amend section 1 of the act of August 9,

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1955 (69 Stat. 555), authorizing the sale of certain land by the pueblos of San Lorenzo and Pojoaque.

We recommend that the bill be enacted.

The sole purpose of the bill is to correct an error in the land description that is contained in the act of August 9, 1955 (69 Stat. 555). That act authorizes the pueblo of San Lorenzo and the pueblo of Pojoaque to sell to the Navaho Tribe of Indians approximately 56, 252 acres of land in Valencia County, N. Mex. The lands are now held by the United States in trust for the two pueblos, and after the proposed sale they will be held by the United States in trust for the Navaho Tribe. Due to a typographical error that was made when the act was originally drafted, one line of the land description was omitted, and the pending bill will correct that error.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (S. 3537), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 9, 1955 (69 STAT. 555)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pueblo of San Lorenzo, sometimes know as the Pueblo of Picuris, and the Pueblo of Pojoaque in New Mexico are hereby severally authorized to sell to the Navaho Tribe of Indians all of the right, title, and interest of each of said Pueblos in and to any of the lands situated in townships, 6, 7, and 8 north, *range 14 west, townships 7 and 8 north,* range 15 west, and township 7 north, range 16 west, New Mexico principal meridian, in Valencia County, New Mexico, the title to which is now held by the United States in trust for either of said Pueblos; and the Navaho Tribe is hereby authorized to purchase all of the right, title, and interest of said Pueblos in and to any of the above-described lands, whereupon the title to the lands so purchased shall be held by the United States in trust for the Navaho Tribe. All sales under this section shall be for such prices and on such terms as may be agreed upon by the governing bodies of the Pueblo making the sale and of the Navaho Tribe, and as may be approved by the Secretary of the Interior. The consideration for each sale, when so agreed upon and approved, shall be paid out of such funds of the Navaho Tribe as may be designated for this purpose by its governing body. The Secretary of the Interior and the appropriate officers of said Pueblos are authorized to execute such instruments of conveyance as may be necessary or appropriate to effectuate the transfer of title to any lands purchased by the Navaho Tribe under this section.

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Calendar No. 2021

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2004

PROVIDING THAT THE UNITED STATES HOLD IN TRUST FOR THE PUEBLOS OF ZIA AND JEMEZ A PART OF THE OJO DEL ESPIRITU SANTO GRANT AND A SMALL AREA OF PUBLIC DOMAIN ADJACENT THERETO

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 1907]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 1907) to provide that the United States hold in trust for the pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo grant and a small area of public domain adjacent thereto, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

THE AMENDMENTS

On page 2, line 17, strike the figure "16", and insert in lieu thereof the figure "5.25".

On page 2, line 20, strike the figure "64", and insert in lieu thereof the figure "74.75".

On page 4, line 4, strike the figure "34.33" and insert in lieu thereof the figure "44.13".

EXPLANATION OF THE BILL

The purpose of S. 1907 is to declare that title to certain lands in Sandoval County, N. Mex., now owned by the United States, is held in trust for the pueblos of Zia and Jemez, subject to valid existing rights. Two classes of lands are involved: (1) approximately 75,651 acres of the Ojo del Espiritu Santo grant and (2) approximately 1,917 acres of public domain. Section 1 of the bill provides that approximately 41,216 acres are held in trust for the pueblo of Zia, and section 2 provides that approximately 36,352 acres are held in trust for the pueblo of Jemez.

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The Federal Government purchased the Ojo del Espiritu Santo grant under authority of the National Recovery Act of June 16, 1933 (48 Stat. 200), as a part of the submarginal land acquisition program. Executive Order No. 7792 dated January 18, 1938, transferred jurisdiction of this grant from the Secretary of Agriculture to the Secretary of the Interior for administration by the Commissioner of Indian Affairs. The pueblos of Zia and Jemez were granted grazing permits for 200 cattle units year long each, and the pueblo of Laguna was granted a permit for 400 cattle units year long. Subsequently, in 1941, the Laguna pueblo's grazing permit was transferred to the Antonio Sedillo grant, and the area formerly used by the Laguna Indians on the Ojo del Espiritu Santo grant was made available to non-Indians in that locality.

During 1941, the Ojo del Espiritu Santo grant was transferred back to the Secretary of Agriculture with the requirement that grazing facilities of the grant be made available to Pueblo Indians to the extent of 400 cattle units year long. The Department of Agriculture has continued to administer these lands to the present time, but now desires to dispose of the lands acquired under the submarginal land program to appropriate Federal and State agencies, and through sales to private individuals.

Approximately 1,917 acres of public domain land have been included in the bill in order to correct irregularities in the exterior boundaries and to simplify administration. This land is at the top of Nacimiento Mountains, is extremely rough, and has little value. Merchantable timber on the land has recently been sold. Excluded from the bill are a tract of 640 acres used by the United States as an administrative site, and 163.76 acres of privately owned land.

At the time these lands were acquired by the United States, it was evident that the Indians living in the region were in desperate need of additional lands. It was for this reason that since 1935 the two pueblos have been granted grazing permits on the lands included in this bill without charge by the United States. The enactment of this bill will give security to the pueblos of Zia and Jemez on land they are now and have been using for a number of years, and will protect the improvements constructed with their own funds and by their own efforts. It would not remove any lands from the tax rolls of the State of New Mexico, nor would it add any lands to those which are now being used by the two pueblos. The Indians using the lands have followed a program of range conservation and it is anticipated that such practices will continue in the future.

The reports of the Department of the Interior and the Bureau of the Budget, recommending enactment of S. 1907, are set forth below.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., March 20, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR MURRAY: Your committee has requested a report on S. 1907. a bill to provide that the United States hold in trust

for the pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo grant and a small area of public domain adjacent thereto.

We recommend that the bill be enacted.

The bill declares that title to certain lands in Sandoval County in the State of New Mexico, now owned by the United States, is held in trust for the pueblos of Zia and Jemez, subject to valid existing rights. Two classes of lands are involved: (1) approximately 75,651 acres of the Ojo del Espiritu Santo grant and (2) approximately 1,917 acres of public domain. Of this land, section 1 of the bill provides that approximately 41,216 acres are held in trust for the pueblo of Zia, and section 2 provides that approximately 36,352 acres are held in trust for the pueblo of Jemez.

The Ojo del Espiritu Santo grant was purchased by the United States of America in 1935 under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), as a part of the submarginal land acquisition project. By Executive Order No. 7792 dated January 18, 1938, this grant was transferred from the Secretary of Agriculture to the Secretary of the Interior for administration by the Commissioner of Indian Affairs for the benefit of the Indians in the area. Grazing permits were granted to the pueblo of Jemez for 200 cattle units yearlong, to the pueblo of Zia for 200 cattle units yearlong, and to the pueblo of Laguna for 400 cattle units yearlong.

The Antonio Sedillo grant was purchased by the United States under authority of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 522, 525). By Executive Order 8696 dated February 28, 1941, the grant was transferred from the Department of Agriculture to the Secretary of the Interior for the use of Pueblo Indians. Thereafter, the Laguna pueblo grazing permit on the Ojo del Espiritu Santo grant was transferred to the Antonio Sedillo grant, and the area formerly used by the Indians of Laguna pueblo on the Ojo del Espiritu Santo grant was made available to non-Indian people who reside in the immediate locality.

By Executive Order 8697 dated February 28, 1941, and Executive Order 8912 dated September 27, 1941, the Ojo del Espiritu Santo grant was transferred from the Secretary of the Interior to the Secretary of Agriculture with the requirement that grazing facilities of the grant shall be made available to Pueblo Indians to the extent of 400 cattle units yearlong. Pursuant to this order, the pueblos of Zia and Jemez were granted permits to continue grazing livestock in the amount of 200 cattle units on a yearlong basis for each pueblo. The Ojo del Espiritu Santo grant is, at present, under the jurisdiction of the Secretary of Agriculture.

The present situation, therefore, is that (1) the entire Ojo del Espiritu Santo grant consists of approximately 113,141 acres, (2) the Zia and Jemez Indians have had grazing permits for a total of 400 livestock on a yearlong basis since the land was transferred to this Department in 1938, and (3) the Indians graze their livestock in common with the non-Indians who also have grazing permits for the area.

The average carrying capacity for the entire 113,141 acres during the 18-year period 1936–53 was 843 cattle yearlong. The high was 1,125 cattle yearlong in 1949 and low was 350 cattle yearlong in 1950. According to the best range information available, the 75,651 acres

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proposed to be conveyed to the Indians has an estimated average carrying capacity of no more than 400 cattle yearlong, which represents the grazing facilities assigned to the Indians for the past 18 years.

The approximately 1,917 acres of public domain land that are included in the bill are included in order to correct irregularities in the exterior boundaries and to simplify the administration of the land. It is at the top of Nacimiento Mountains, is extremely rough, and has little value. Merchantable timber on the land was recently sold.

The bill expressly excludes from the trust approximately 640 acres used by the United States as an administrative site and approximately 163.76 acres of privately owned land.

Approximately 200 mineral applications, mostly in connection with uranium, have been filed in this general area, but not necessarily in these lands.

In 1954 the Secretary of Agriculture advised us that he desired to dispose of the lands acquired under the submarginal land program by transferring to the appropriate Federal agency the tracts that should remain in Federal ownership, by selling to State agencies the tracts that should be administered by such agencies for a public purpose, by selling to private owners the tracts that are suitable for permanent private ownership, and by transferring to this Department the remainder of the land. The enactment of the pending bill to retain this particular land in Federal ownership in trust for the Indians is consistent with this general policy.

At the time these lands were acquired by the United States, it was evident that the Indians living in the region were in desperate need of additional lands. It was for this reason that since 1935 the two pueblos have been granted grazing permits on the lands included in this bill without charge by the United States. The enactment of this bill will give security to the pueblos of Zia and Jemez on land they are now and have been using for a number of years, and will protect the improvements constructed with their own funds and by their own efforts. It would not remove any lands from the tax rolls of the State of New Mexico, nor would it add any lands to those which are now being used by the two pueblos. The Indians using the lands have followed a program of range conservation and it is anticipated that such practices will continue in the future.

The bill contains three errors in description, as follows:

1. On page 2, line 17, the figure 16 chains should be 5.25 chains.
2. On page 2, line 20, the figure 64 chains should be 74.75 chains.
3. On page 4, line 4, the figure 34.33 chains should be 44.13 chains.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., March 14, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington 25, D. C.

MY DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget with respect to S. 1907 to provide that the United States hold in trust for the pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo grant and a small area of public domain adjacent thereto.

If enacted, this bill would transfer some 77,500 acres of grazing lands now owned by the United States to the Indians of the Zia and Jemez pueblos in New Mexico. The lands in question are a part of the submarginal lands acquired under the Bankhead-Jones Act and are presently administered by the Department of Agriculture. That Department is in process of disposing of lands acquired under this program and this bill would authorize the transfer to the Indians of areas which they have been using under permit.

You are advised that the Bureau of the Budget would have no objection to the enactment of S. 1907.

Sincerely yours,

PERCY RAPPAPORT,
Assistant Director.

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UNIVERSITY OF MICHIGAN LIBRARIES

Calendar No. 2022

84TH CONGRESS
2d Session

SENATE

REPORT
No. 2005

HOUSING AMENDMENTS OF 1956

REPORT

OF THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

S. 3855

MAY 15 (legislative day MAY 7), 1956.—Ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
71006 WASHINGTON : 1956

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84TH CONGRESS, 2d Session | SENATE | REPORT No. 2005

HOUSING AMENDMENTS OF 1956

MAY 15 (legislative day MAY 7), 1956.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 3855]

The Committee on Banking and Currency having considered the same, report favorably a committee bill (S.) to extend and amend laws relating to the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, and for other purposes, and recommend that the bill do pass.

INTRODUCTION

The Committee on Banking and Currency has held hearings on, and considered in executive session, the following bills: S. 1536, S. 2565, S. 2640, S. 2736, S. 2762, S. 2790, S. 2848, S. 3057, S. 3158, S. 3186, S. 3190, S. 3296, S. 3302, S. 3309, and S. 3346. From these bills, and from amendments and suggestions received by the committee, an original bill was drafted by the committee and is reported for consideration of the Senate.

This is a comprehensive bill designed to increase and improve the housing supply for all segments of the population and for all parts of the Nation. The committee devoted a major portion of its time to the consideration of provisions to improve housing conditions for low- and middle-income families and for our elderly citizens. Among the major provisions of this bill dealing with these two problems are:

(1) A new mortgage-insurance program for the Federal Housing Administration to aid in the construction of privately financed homes for elderly families;

(2) Modifications of the FHA home-improvement program to help in the modernization and rehabilitation of millions of existing homes;

(3) Improvements in the FHA cooperative-housing program and the FHA insurance program to provide homes for persons

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displaced by slum clearance and urban renewal, and the farm-housing program administered by the Department of Agriculture, all of which should alleviate the critical housing need of low- and middle-income families on the farms and in the cities; and

(4) A substantial increase in the low-rent public-housing program to permit construction of the 810,000 units contemplated by the Housing Act of 1949, which program has only partially been achieved to date.

Other major components of this bill increase the general mortgage insurance authorization and the military housing mortgage insurance authorization of FHA, provide additional funds for college-housing loans, reestablish a housing-research function within the Housing and Home Finance Agency, and create a Commission on National Housing Policy to study ways and means for encouraging capital investment to support a level of residential construction sufficient to meet the needs of a growing population and an expanding economy.

TITLE I—FHA INSURANCE PROGRAMS

PROPERTY IMPROVEMENT LOANS

It has been estimated that new housing constructed in any 1 year represents only 2 percent of the Nation's total housing inventory. Contrasted with this is the fact that there are over 25 million homes that are old and in need of repair and improvement. These are not necessarily slum houses that should be torn down but are homes which with modest investment could retain their usefulness for many years. In addition to the comfort which modernization and repair of these older houses can give to their occupants, home improvement work is a significant part of the Nation's economy. The economic significance of home improvement is illustrated by an estimated potential of $8 billion to $12 billion annually over and above the current volume.

The FHA insurance program plays an important part in this need to repair and modernize existing homes. Without this FHA insurance, thousands of families would be unable to obtain repair loans or would have to pay much higher rates of interest. This has been a very useful program and should continue to play its part in preventing residential deterioration and obsolescence.

Three-year extension

Title I of the National Housing Act authorizing the FHA home repair and modernization program would expire under existing law on September 30, 1956. This bill would extend title I for 3 years until September 30, 1959. Title I has been in operation more than 20 years and during that time has demonstrated its basic soundness. Approximately 19 million loans amounting to more than $9 billion have been insured, and the program is a vital part of the Government's overall housing operations. It is an important element in the urban renewal program and an aid to the programs of private organizations aimed at preventing slums and blight.

While the committee does not feel that this program should be placed on a permanent basis, it believes that a 3-year extension is necessary and reasonable.

FHA insurance for this type of credit enables homeowners, particularly in smaller communities, to obtain home-improvement loans. Without such insurance, credit for home repair purposes would not be as readily available as consumer credit for other consumer durable goods, such as automobiles and appliances. In other fields, the dealer frequently receives credit support from the manufacturer. In the case of home repair loans, however, manufacturers of building products are each likely to have a relatively small financial interest in the repair or improvement job done by the local firm. The manufacturer or wholesale supplier is thus rarely interested in backing up credit for a repair or improvement job, especially when the largest cost item is labor at the site. For these reasons home repair or improvement loans, in the absence of title I aids, would be unavailable to many borrowers, or else be available only at much higher interest rates or fees.

A considerable amount of organizational and procedural planning by lending institutions is essential to their operations under the program. The FHA title I regulations require that lenders make extensive investigations of dealers from whom they intend to purchase home improvement notes and set up comprehensive files supporting their dealer approvals. Lenders also are required to have departmentalized facilities for investigating credits and making collections. When faced with recurring expiration dates of the title I program, caused by short-term extensions, it is difficult for lenders to engage in long-range planning for such operations. On several occasions the passage of continuing legislation has been delayed until the expiration date was actually reached or close at hand and there was considerable confusion in the issuing of proper instructions from approved institutions to their participating branches and dealers. FHA has also found it extremely difficult to keep the 12,000 lenders participating in the program properly advised under such circumstances. Consequently, the committee recommends a 3-year extension and states its intention to reconsider the necessity for continuing the program during the legislative session 1 year in advance of the expiration date.

Increase in maximum amounts of insurable loans

The maximum eligible loan under title I would be increased from $2,500 to $3,500 for home improvement and nonresidential loans, and from $10,000 to $15,000 for loans for the improvement of structures housing two or more families. A provision would also be added restricting the maximum amount of a loan for the improvement of two-or-more-family structures to an average amount of $2,500 per family unit. This $2,500 average limit is the present limit for such loans under regulations issued by FHA. As it applies to the overall structure rather than to the specific unit, the property owner may borrow, for example, $5,000 to improve a 2-family structure and expend $3,000 to improve 1 unit and $2,000 to improve the other.

These proposed increases in the maximum amounts of title I loans recognize increases in labor and material costs occurring since these limits were established (in 1939 for single-family homes and 1950 for multifamily structures).

Increase in maximum term

The FHA Commissioner would be authorized to increase the maximum term of title I home improvement and nonresidential loans from 3 years (the present limit) up to 5 years, if he determines that

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longer maturities are in the public interest after considering the general effect upon borrowers, the building industry, and the general economy. An increase in the maturity of loans would permit smaller monthly payments by the borrowers. The present maximum maturity of 7 years for loans to improve structures housing two or more families would not be increased.

Graduated interest rate

Although the interest rate of 5 percent discount, as permitted under the FHA title I program, is generally lower than the rate available on uninsured loans, the committee believes that such a rate should not be permitted to apply to the higher amounts authorized by this bill. Consequently, we provide that that portion of any loan which exceeds $2,500 may not bear an interest rate exceeding 4 percent discount. We believe that this provision adequately compensates investors making title I loans and that a graduation of this kind is reasonable for the borrower as well as the lender.

Purposes for which loans may be used

In its report on the Housing Amendments of 1954 (S. Rept. 1472, 83d Cong., 2d sess.), this committee restricted the discretion to be exercised by the FHA Commissioner in determining the eligibility of items for loans under the FHA home improvement insurance program. That report reflected the considered judgment of the committee after extensive hearings which showed widespread abuses. In addition to the restrictive language of the report, the committee redrafted portions of the statute to make quite clear that only those items "as substantially protect or improve the basic livability or utility of properties shall be eligible for financing" under the title I insurance program.

The amendments to the statute and the language contained in Senate Report 1472 have been effective in correcting and curtailing reprehensible practices formerly noted in the title I program. More careful administration by the FHA, the assumption of greater responsibility by participating lenders, home improvement dealers and salesmen, and the alertness of homeowners, all have contributed to the improvement of this important program.

In order to serve the needs of homeowners, a program such as that envisioned by title I, which is affected by frequent technological changes in home improvement items, must have sufficient flexibility to permit administrative changes. Consequently, the committee feels that it is now possible to restore considerable discretion to the FHA Commissioner with respect to the eligibility of items. We believe that the statute contains policy guidelines broad enough and yet sufficiently specific to permit a wise administrator to respond to changing circumstances and technology.

We expect the Commissioner to continue the ineligibility of tennis courts, swimming pools, barbecue pits, dog kennels, fire alarm systems, and any other items which in his judgment do not substantially protect or improve the basic livability or utility of properties or which are especially subject to selling abuses. We expect the Commissioner to rely upon the language of the statute in making this insurance program useful to homeowners desiring to repair, improve, or remodel their homes.

The great majority of our people reside in older houses and the FHA title I insurance program, wisely administered, can help to keep these houses modern and in good repair through the use of insured loans at reasonable interest rates.

HAZARD INSURANCE ON FHA ACQUIRED PROPERTIES

This bill adds a new provision to authorize FHA to establish a fire and hazard loss fund for self-insurance purposes. The fund would be available to provide fire and hazard risk coverage on property acquired by FHA under foreclosures or otherwise. The FHA Commissioner would also be authorized to purchase additional insurance protection if he determined it necessary, and to provide for reinsurance of any risk assumed by the fire and hazard loss fund. This proposal for self-insurance was suggested by the General Accounting Office.

At the present time the FHA holds properties valued at more than $100 million. While this inventory is constantly changing because of acquisitions and sales, its value of such properties for the past 3 years has exceeded $60 million. During the 5 years and 10 months ending September 30, 1955, FHA hazard premium payments totaled $1,442,000 and losses paid aggregated $111,000—a loss ratio of under 8 percent.

While this loss experience has been unusually favorable and greater losses may occur in the future, self-insurance would accomplish a substantial economy.

COOPERATIVE HOUSING INSURANCE

Under existing law, the maximum amount of a cooperative housing mortgage is 90 percent of the FHA estimate of replacement cost, unless at least 65 percent of the cooperators are veterans of World War II, in which event the maximum mortgage amount may be 95 percent of the FHA estimate of replacement cost. This bill changes the law to permit the higher maximum mortgage amount if at least 50 percent of the cooperators are veterans of World War I or World War II.

The committee believes that the present law is unnecessarily restrictive in its definition of a "veterans" cooperative and feels that these changes are highly desirable.

GENERAL MORTGAGE INSURANCE AUTHORIZATION

The general mortgage insurance authorization for FHA would be increased to make available $3 billion of authorization for the next fiscal year. The balance of the present authorization (estimated to be about $2 billion at the end of this fiscal year) would be included in that amount. The FHA general mortgage insurance authorization covers all of the mortgage insurance programs except the new military housing program under title VIII and the title I home modernization program.

Budget estimates for 1957, excluding the effect of amendments contained in this bill, project a net usage of slightly over $2.7 billion. This results from estimated net increases in outstanding insurance in force and commitments to insure aggregating $3.1 billion—the most

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important increases occurring under section 203 ($2.2 billion) and sections 220 and 221 ($500 million)—as partially offset by $400 million in decreases in outstanding insurance under title VI and other miscellaneous programs which are not open for new business. The remaining margin within the proposed $3 billion authorization is estimated to be sufficient to care for increases in business attributable to the proposed amendments until more exact data can be presented to the Congress at its next session.

An actuarial determination of the self-sufficiency of the various funds has now been completed for the year 1955. For purposes of actuarial analysis, periodic estimates are made by FHA of the amount of resources, in addition to acquired properties, which FHA would need to have in each insurance fund to cover potential maximum probable losses to that fund in the event of an immediate severe reversal of residential real estate conditions. These estimates are designated as reserve requirements.

The Administration has indicated that during the year 1955 reserve resources have been strengthened in relation to insurance in force at the end of the year. At December 31, 1954, FHA actuaries determined that a deficiency in resources compared with reserve requirements existed in the net amount of $137.4 million. The following summary of the actuarial findings as of December 31, 1955, indicates that the net deficiency in reserves amounted to $107.8 million. Based on these determinations, the reserve position has been improved by almost $30 million in 1955.

Outstanding balance of insurance in force, earned surplus, and estimated reserve requirements in the insurance funds of the Federal Housing Administration, as of Dec. 31, 1955

	Outstanding balance of insurance in force	Earned surplus and contributions from other insurance funds [1]	Estimated reserve requirements, adjusted [2]	Excess of earned surplus over estimated reserve requirements, adjusted
Title I housing insurance fund	$186,193,922	$2,347,929	$8,778,854	−$6,430,925
Mutual mortgage insurance fund	12,120,656,215	[3] 264,969,829	247,061,712	17,908,117
Housing insurance fund	568,704,249	5,599,771	24,215,547	−18,945,776
Sec. 220 housing insurance fund		825,470		825,470
Sec. 221 housing insurance fund		923,640		923,640
Servicemen's mortgage insurance fund	85,675,813	1,018,738	3,287,415	−2,268,677
War housing insurance fund	4,210,494,711	114,786,236	168,259,185	−53,472,949
Housing investment insurance fund		845,343		845,343
Armed services housing mortgage insurance fund	639,759,952	9,950,303	38,560,252	−28,609,949
National defense housing insurance fund	506,724,756	2,743,090	21,375,653	−18,632,563
Total all mortgage insurance funds	18,318,209,618	403,680,349	511,538,618	−107,858,269
Title I insurance fund	1,073,377,823	[4] 43,959,440	[5]	
Total all funds	19,391,587,441	447,639,789		

[1] Contributions represent earned surplus of certain insurance funds transferred to other FHA insurance funds as contributed capital in the amount of $20,310,000.

[2] For mortgage insurance contracts in force. Adjusted for estimated unearned premiums in 7 insurance funds in the amount of $51,008,395 to be retained after refunds of unearned premiums upon prepayment.

[3] Includes $50,514,214 as of Dec. 31, 1955, in the participating reserve account, representing balances available for participations, which account may be charged with any net loss sustained by the mutual mortgage insurance fund in any semiannual period.

[4] Does not include unearned premiums in this fund amounting to $21,940,360 as of Dec. 31, 1955.

[5] Reserve requirements are not estimated for the title I insurance fund. The maximum potential liability under this fund was $236,585,822 as of Dec. 31, 1955, representing the balance of reserves available to qualified lending institutions for the payment of claims. This potential liability was calculated at 10 percent of net proceeds of insurance written less claims paid and reserve adjustments.

This bill also makes it clear that the special insurance authorization for the new military housing mortgage insurance program authorized in 1955 (title VIII) of the National Housing Act, as amended, was not intended to include mortgages insured pursuant to the provisions of that title in effect prior to the enactment of the Housing Amendments of 1955.

RAPIDLY WASTING ASSETS

The committee considered a suggested amendment to section 203 (b) of the National Housing Act, relating to sales housing constructed as security for FHA insured home mortgages, which reads as follows:

> To be eligible for insurance under this section a mortgage shall—
>
> Not include as mortgage security items which are not an integral part of the real estate unless such items substantially protect or improve the basic livability or utility of the property and continue to enhance the security and value of the property for the duration of the mortgage period. The Administrator shall develop a list of items of household equipment and furnishings which shall not be eligible for inclusion as part of the valuation of an insured mortgage under this section for use on a uniform basis by all regional and local offices of the Federal Housing Administration.

This amendment was intended to prevent the inclusion, as security for an FHA insured mortgage, of rapidly wasting assets which do not continue to enhance the security and value of the property for the duration of the mortgage period. The committee is quite concerned that the inclusion of rapidly wasting assets may not be in the best interest of homeowners purchasing houses with FHA-insured mortgage loans. However, the committee was uncertain of the total effects of the proposed amendment, and decided to withhold action until additional information can be obtained.

The Federal Housing Administration is requested to study this proposed amendment to section 203 of the National Housing Act and report its findings and recommendations to the committee by January 31, 1957. This report, among other things, should include (1) information regarding items, now eligible, which would be ineligible under this amendment, (2) the effects upon the size and utility of houses constructed under the FHA program, (3) the advantages and disadvantages to the homeowner, (4) the effects, if any, upon industries producing items which might be excluded, and (5) the effects upon the home building industry as a whole.

MORTGAGE AMOUNTS IN HIGH-COST URBAN RENEWAL AREAS

Section 220 of the National Housing Act presently provides mortgage limits of $2,250 per room ($8,100 per unit) except that the FHA Commissioner may increase these amounts to $2,700 per room ($8,400 per unit) for elevator-type structures. The Commissioner may also increase the mortgage amounts applicable to elevator-type structures by up to $1,000 per room in high-cost areas. This permissive authority to increase the mortgage in high-cost areas has not been extended to garden-type structures.

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Some urban renewal projects in high-cost areas are planned to contain substantial numbers of garden-type apartments which, of course, do not require elevators and therefore are not eligible for the higher mortgage amounts permitted in high-cost areas. The committee feels that garden-type apartments can be properly encouraged in high-cost areas in order to provide more desirable neighborhood environment. The bill amends section 220 to permit an additional $1,000 per room or per family unit for both garden-type and elevator-type projects in high-cost areas.

TRADE-IN HOME PROGRAM

The committee heard testimony that the overall objectives of the National Housing Act would be enhanced if it were possible for the builders and sellers of new homes to accept used homes on a trade-in basis. The committee considered an amendment to the National Housing Act to accomplish this objective. The Housing and Home Finance Agency advised that at the present time any investor may purchase a house with an FHA-insured loan up to 85 percent of the amount which is available to an owner-occupant, and that any necessary changes can be made by regulation. For this reason the bill does not contain an amendment on this subject.

LOW-COST HOUSING FOR DISPLACED FAMILIES

Section 221 of the National Housing Act provides a special mortgage insurance program to assist in the provision of low-cost housing for families displaced by urban renewal and other governmental action in communities which have workable programs for meeting their overall problems of slum and blight. This housing, which can be located in any approved areas of the community, must be programed by the Housing Administrator to meet the needs of these families. The program is thus designed to help overcome one of the major obstacles to urban renewal, the relocation of displaced families in adequate housing. This problem is greatest with respect to families of low or moderate income, for which section 221 housing is intended.

This bill would amend the FHA section 221 mortgage insurance program for the housing of families moving out of urban renewal areas, as follows:

(1) The maximum dollar amount is now $7,600 per dwelling, except that the FHA Commissioner may increase this amount up to $8,600 in any geographical area where he finds that cost levels so require. This bill increases these maximum amounts to $8,000 and $10,000, respectively.

(2) The maximum ratio of loan to value is now 95 percent and, in the case of single family homes, 5 percent of the estimated cost must be paid (in cash or its equivalent) by the mortgagor at the time of insurance. In place of that provision, the bill would permit the mortgage to equal the value of the property except that the mortgagor in sales housing would be required, in the case of a single family home, to make an initial payment of $200 in cash or its equivalent, which amount could include amounts to cover settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premium, and other prepaid expenses.

(3) The maximum maturity of the mortgages would be increased from 30 years to 40 years.

There are almost no mortgage insurance advantages for construction under the existing provisions of section 221, as compared to other sections of the National Housing Act. Consequently, there has been little interest in construction under that section.

In addition, the existing dollar maximums for section 221 mortgages are unrealistic for some high-cost areas and would in themselves prevent new construction in those areas. There is a large, as well as urgent, need for low-priced, sales-type housing for families displaced from urban redevelopment and urban renewal areas, especially families of minority groups. Many could afford a $200 downpayment including closing costs.

Mortgage insurance provisions in section 221 for multifamily structures provided by private nonprofit corporations are presently unworkable because of the 95 percent maximum loan-to-value ratio. It has the effect of requiring a 5-percent investment by the nonprofit corporation which could not normally receive a return on even the 5 percent invested. The 40 years' maximum maturity will reduce monthly payments and will make the program more helpful to the low-income families for which it is intended.

APPROVAL OF COST CERTIFICATIONS ON RENTAL HOUSING

Section 227 of the National Housing Act requires that builders of FHA multifamily housing projects (except military housing under the new title VIII program) certify the costs of the projects. Experience has indicated that prospective sponsors of multifamily housing fear that their cost certifications may be reexamined and questioned from time to time over an indefinite period of years. The amendment of section 227 would remove this uncertainty. Once the cost certification is approved by the FHA Commissioner, it would be considered final and incontestable except where there has been fraud or misrepresentation on the part of the mortgagor.

In addition, the bill contains a provision to encourage the production of rental housing in urban renewal areas under section 220 of the National Housing Act. This provision authorizes the FHA Commissioner to allow a profit on such projects of up to but not exceeding 10 percentum of the "actual costs" as defined in section 227 of the National Housing Act. It is hoped that the uncertainties and hazards peculiar to capital ventures contemplated by the production of rental housing in urban renewal areas will be recognized by the FHA Commissioner and that profit allowances will be made on a basis which will foster greater activity under this program.

MILITARY HOUSING

This bill would extend the military housing program through September 30, 1959; extend the program to cover construction of projects on Midway Island and in the Canal Zone; increase FHA insurance authorization from $1,363,500,000 to $3 billion, and increase from $9 million to $18 million the maximum monthly expenditure by the military to amortize military housing mortgages; increase maximum average unit cost from $13,500 to $15,000 for any single project, and set a servicewide ceiling on average unit cost of $14,250; establish maximum limits on net floor area, based upon military rank, for each unit of housing; and makes technical and perfecting amendments to existing law.

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The bill also contains provisions emphasizing FHA's responsibilities in order to prevent overbuilding in areas surrounding military installations. It requires a determination by the Secretary of Defense, with the approval of the FHA Commissioner, that adequate housing is not available for personnel of the armed services at reasonable rentals within reasonable commuting distance of the installation. This determination must be made before a new project can be approved. The bill further provides that the FHA Commissioner shall report to the Committee on Banking and Currency of the Senate and the House of Representatives each instance in which he has disagreed with the military as to need for housing and has required the Secretary of Defense to guarantee the armed services housing mortgage insurance fund against loss.

Existing law is amended to require that plans and specifications prepared for military housing follow the principle of modular measure. This requires that plans be drawn so that military housing can be built by conventional construction, site fabrication, or factory fabrication, whichever the successful bidder may elect. This amendment was recommended by the Department of Defense to permit economies in design, materials, and construction. This amendment reaffirms the committee's intent that builders of prefabricated homes should have equal consideration in bidding on these military housing projects.

In order to resolve a legal uncertainty concerning the bonding of contractors who build military housing, the bill provides that such contractors shall furnish bonds satisfactory to the FHA Commissioner and the Secretary of Defense. This change was recommended by the Department of Defense to conform to the usual FHA bonding requirements.

The factor most frequently cited by officers and enlisted men who leave the service is the lack of adequate family housing. It was testified that in the Strategic Air Command alone, a total of 111,848 airmen did not reenlist during the 4 years ending June 30, 1956. The worldwide net military family-housing deficit was calculated to be about 273,000 units. This figure does not take into account married personnel in the lower three enlisted grades. Although the appropriated-fund method for constructing military housing has many advantages, it does not permit expenditures of sufficient funds in time to meet urgent military-housing requirements.

As of March 6, 1956, a total of 111 projects comprising 49,866 units had been approved for development under this program. Subsequent information supplied to the committee indicates that, as of April 10, 1956, the military-housing program consisted of 139 projects, totaling 60,696 housing units in various stages of development, ranging from preliminary planning and engineering to actual construction of one project.

Since the act which inaugurated this program, was not approved until August 11, 1955, there has been very little time in which to get the program started. A 3-year extension of the program appears necessary. The increase in average unit cost and the establishment of maximum limits on net floor area are designed to permit the construction of housing under this program which will be comparable to housing produced with appropriated funds.

TITLE II—HOUSING FOR ELDERLY PERSONS

Prior to 1955, no real effort had been made to develop a Federal program to provide housing for the elderly. In 1955, the Senate Banking and Currency Committee reported a bill which would have provided an allocation of public housing units for the elderly. This provision passed the Senate but was not enacted.

Since 1955, there has been an increasing awareness of the need to encourage the building of a more substantial number of adequate dwelling units for older persons. A study by the Senate Housing Subcommittee entitled "Housing for the Aged" has helped to define the problem and delineate its scope. A number of bills dealing with housing for elderly persons have been introduced in both Houses of the Congress and almost every witness who testified before the Housing Subcommittee this year indicated that some program to assist elderly persons is needed. This bill will provide a well-rounded approach to the problem of providing housing for the elderly.

The process of aging is accompanied by certain social and economic, as well as physical, characteristics which are of primary importance in determining housing needs of the aged. The major difficulty in meeting this problem is to secure adequate housing for elderly persons at a cost they can afford to pay. There is a marked disparity between necessary costs for decent housing and the ability of a substantial percentage of the population to pay these costs. With the aging this condition is aggravated. Because of their reduced earning power, older persons are often unable to compete successfully for housing, particularly in periods of short supply.

Most elderly persons seem to prefer their own quarters because of a sense of security and independence living alone appears to give them; and this requires accommodations designed to meet their special needs of safety and convenience.

In drafting legislation on the subject, the committee gave consideration to the problems enumerated above. This bill attempts to provide (1) financial assistance both in public and private housing, (2) adequacy in design and location of housing, and (3) a research program to help Federal agencies, private groups, and individuals solve the many problems in this field.

PRIVATE HOUSING FOR ELDERLY PERSONS

The bill is designed to meet the needs of elderly persons in two ways. First, it would amend title II of the National Housing Act by adding a new section 229 to enable the FHA to insure mortgages with liberal terms for elderly persons. These new mortgage terms would be applicable to both sales and rental housing, and FHA insurance is conditioned upon the projects being economically sound.

Sales housing mortgages would be insured up to 100 percent of value where the mortgagor is the owner-occupant except that the borrower must pay $200 in cash which may include payment of settlement costs and initial payments for taxes, hazard insurance, and other prepaid expenses. The maximum mortgage would be $8,000 ($10,000 in high-cost areas) and the maximum maturity would be 40 years. Mortgagors who are not owner-occupants would be permitted to obtain 85-percent loans to build or acquire and repair

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or rehabilitate for sale, and to finance pending subsequent sale to elderly persons under purchase contract or lease option agreements. An elderly person could buy only one house with the benefits of this program.

Rental housing mortgages would be insured up to 100 percent of value if the mortgagor is an acceptable public or private nonprofit organization, and 90 percent of value for all other types of mortgagors. As with sales-type housing, the mortgage amount could not exceed $8,000 per unit ($10,000 per unit in high-cost areas). Maximum maturity would be 40 years.

With respect to sales housing, the bill provides that where a mortgagor is 60 years of age or over, a third party (a person or a corporation satisfactory to the FHA Commissioner) may provide the downpayment required and may cosign the mortgage note. For rental housing, an acceptable third party may contribute a part of the required rental payment and may assist in meeting equity requirements.

An Elderly Persons Housing Insurance Fund is established in the FHA to carry out the provisions of the new section 229. Through its operation of this and other mortgage insurance programs, the committee expects the FHA to give recognition to the needs of elderly mortgagors in the new housing projects that are constructed with the assistance of FHA insurance.

FNMA is authorized to enter into advance commitments to purchase such mortgages up to $50 million outstanding at any one time. A maximum of $5 million would be available in any one State. Both would be revolving funds.

PUBLIC HOUSING FOR ELDERLY PERSONS

Second, the bill would broaden the opportunities for low-income elderly persons to find shelter in public housing accommodations by initiating a program of 15,000 public housing units for each of 5 years beginning July 1, 1956, and by making elderly persons eligible on a first-preference basis to any suitable units in any other public housing projects, even though they were not specifically designed or built for elderly persons. These 15,000 units would be in addition to other low-rent public housing units authorized by other provisions of the bill.

In order to make elderly persons eligible for public housing, the definition of "families of low income" is amended. The term "families" would include a single person 65 years of age or over, or the remaining member of a tenant family. The term "elderly families" is further defined to mean families the head of which or his spouse is 65 years of age or over. To be eligible for admission to public housing, elderly persons and families need not comply with the requirement that they come from slum dwellings or be displaced by Government action.

The total authorization for annual contributions by the Public Housing Administration is increased from $336 million to $366 million. This is an increase at the rate of $6 million a year for each of the 5 years.

In order to defray the higher cost of units especially designed for the elderly, the bill authorizes an increase in the cost limit for such units from $1,750 to $2,250 per room.

To insure that the Federal Government develops and maintains a program to meet the needs of elderly persons, the bill requires the Housing Administrator to establish an advisory committee on matters relating to housing for the elderly. It is the hope of the committee that the establishment of this advisory committee will help to create and maintain public interest in providing an adequate program for housing our senior citizens. It is anticipated that this advisory committee will work closely with the Housing Administrator and other Federal housing officials in the interest of housing for the elderly and that its recommendations can provide the basis for necessary legislation.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Federal National Mortgage Association since November 1, 1954, has had three separate and distinct programs. They are:

(1) The secondary market operations designed to provide supplementary assistance to the secondary market for home mortgages;

(2) Special assistance functions which upon specific authorization by the President or by the Congress provide special financing for selected types of home mortgages; and

(3) Management and liquidating functions under which FNMA manages and liquidates its existing portfolio so as to avoid any adverse effect upon the home mortgage market or unnecessary losses to the Federal Government.

FNMA's cumulative purchasing activities from February 10, 1938, through March 31, 1956, are summarized as follows:

(1) The average age of the mortgages at the time of purchase is computed to be approximately 3 months;

(2) The average original principal amount of the mortgages at the time of purchase was approximately $9,460;

(3) The average outstanding principal balance of the mortgages at the time of purchase was $9,408; and

(4) FNMA's delinquency experience in respect to single family housing mortgages comprising the portfolio of its secondary market operations and similar mortgages in its other functions or operations is shown in the following table:

Type of operations	Type of mortgage		
	FHA	VA	Total
	Percent	*Percent*	*Percent*
Secondary market operations	0.40	0.79	0.68
Special assistance functions			
Management and liquidating functions	5.01	1.20	2.25
All programs	4.81	1.19	2.18

FNMA PROFIT

Secondary market operations

From November 1, 1954, through February 29, 1956, under this program FNMA has earned $2.463 million. After deducting expenses, losses, and payments made in lieu of income taxes in the amount of $1.926 million, there remained a net profit of $537,000.

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Special assistance functions

From November 1, 1954, through February 29, 1956, this program has earned $73,500. Expenses and losses have amounted to $9,500, resulting in a net profit of $64,000.

Management and liquidating functions

This portfolio consists mainly of mortgages purchased prior to November 1, 1954, although there were commitments outstanding at that date which required additional purchases. Operations from February 10, 1938, through February 29, 1956, have earned $614 million. Expenses and losses amounted to $402.4 million, resulting in a net profit of $211.6 million.

Thus, total profits of all operations from February 10, 1938, through February 29, 1956, have been $212.2 million.

Legislation dealing with the supply of long-term mortgage funds was one of the most perplexing problems confronting the committee. Many proposals were received to modify the statute governing the operations of the Federal National Mortgage Association. There is increasing evidence that the volume of private housing starts is governed more by operations of the money market than by the actual housing needs of the people. Although the committee is generally sympathetic to suggestions for increasing the participation of FNMA in supplying long-term mortgage credit, sufficient information is not available to justify drastic changes in the program of that agency.

This bill contains several amendments designed to increase the usefulness of the FNMA in providing housing for which the needs are most urgent. These changes are discussed briefly below:

CEILING FOR MORTGAGES IN ALASKA, GUAM, AND HAWAII

The bill provides that eligible mortgages covering property located in Alaska, Guam, or Hawaii could be offered for FNMA purchase, under its special assistance operations, without regard to the present $15,000 maximum amount limitation. Because of higher building costs in Alaska, Guam, and Hawaii, the present restriction prevents the financing of needed housing in those Territories. The FHA Commissioner has authority to insure mortgages covering property in those Territories in higher amounts (up to 50 percent higher) than mortgages covering property in the United States. Until 1954, when the former overall $10,000 maximum amount limitation was increased to $15,000, mortgages covering property in Alaska, Guam, or Hawaii could be offered for FNMA purchase without regard to a maximum amount limitation. This amendment would restore that situation.

STOCK PURCHASE REQUIREMENT

Under present law, mortgage sellers must subscribe to FNMA common stock equal to 3 percent of the unpaid amount of the mortgages, or such greater percentage as may from time to time be determined by FNMA. Under this bill the FNMA would have authority to adjust downward as well as upward the percentage of capital subscriptions required, although the contribution could never be less than 1 percent. Specifically, the amendment would provide that sellers of mortgages to FNMA under its secondary market operations would be required

to make capital contributions to FNMA equal to 2 percent of the unpaid principal amount of mortgages purchased or to be purchased by the Association, or such other greater or lesser percentage, but not less than 1 percent, as may from time to time be determined by the Association, taking into consideration conditions in the mortgage market and the general economy.

This reduction in the required percentage of common stock subscription need not result in a lower total amount of such subscriptions or a consequent delay in the retirement of the preferred stock held by the Treasury. A reduction in the required percentage could result in an increase in the secondary market operations of the Association of sufficient proportion to increase the total stock subscriptions.

PURCHASE PRICE POLICY

The bill also revises the method for establishing the purchase prices of mortgages to be purchased by FNMA in its secondary market operations. Under present law, the FNMA is required to establish such purchase prices "at the market price" for the particular class of mortgages involved. Experience gained by FNMA since this provision became effective, November 1, 1954, has indicated that the pricing factors affecting individual mortgages are so diverse that it is not practicable to comply literally with the requirement that prices be established "at the market price." It is practicable, however, to ascertain ranges of market prices from time to time. Accordingly, this section of the bill would prescribe the criterion that the prices to be paid by the Association for mortgages purchased under the secondary market operations should be established, from time to time, "within the range of market prices" for the particular class of mortgages involved, as determined by the Association. The committee understands that this change will permit the Association to raise its purchase price schedule.

REVOLVING FUND FOR COOPERATIVE HOUSING MORTGAGES

The Housing Amendments of 1955 authorized a $50 million revolving fund for the purchase of FHA-insured mortgages secured by cooperative housing projects. The law specified that not more than $5 million of this revolving fund could be used in any one State, and it was the committee's intention that this $5 million State ceiling should also revolve. However, the language of the statute has been interpreted as not permitting this $5 million fund to revolve. This bill corrects this situation and makes clear that both the $50 million fund and the $5 million State ceiling will be revolving funds.

PURCHASE PRICE POLICY UNDER SPECIAL ASSISTANCE FUNCTIONS

The charter of FNMA states that one of the principal functions of the agency is to provide special assistance for the financing of selected types of home mortgages which could not otherwise be produced to the extent desirable in the national interest. Funds available for this special assistance function are separated from funds provided for other activities of the association. At the present time programs identified as requiring special assistance include cooperative housing,

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urban-renewal housing, military housing, disaster housing, and housing in Alaska and Guam.

Under the purchase price policies established by the association for its special assistance functions, the agency charges discounts up to 2 percent in addition to its regular fees. The committee believes that these policies tend to defeat the purposes for which the special assistance function was created. Consequently, this bill amends the law to require that all mortgages purchased under the special assistance functions shall be purchased at par.

REVOLVING FUND FOR HOUSING FOR THE ELDERLY

As stated elsewhere in this report, one of the major provisions of this bill is a new mortgage insurance program for the FHA. Under this program the FHA is authorized to insure mortgage loans secured by housing produced for elderly persons. In order that this necessary program may not fail for lack of financing, this bill authorizes FNMA to purchase elderly housing mortgages under its special assistance functions and establishes a revolving fund of $50 million for this purpose. Not more than $5 million of this fund can be used to purchase mortgages in any one State, and this $5 million State ceiling will revolve in the same manner as the $50 million total fund.

RESEARCH

As stated above, the committee received many proposals to alter the nature of FNMA. Some of these proposals would merely increase funds available for purchasing mortgages under existing policies. Other proposals would greatly increase the scope of Federal participation in home mortgage lending. The committee believes that the entire subject of the supply of mortgage credit should be thoroughly studied. It is our intention that a research program authorized by this bill and discussed elsewhere in this report will enable HHFA to gather data upon the housing needs of the Nation, the amount of long-term mortgage funds necessary to meet these needs, and ways and means of making such funds available.

SPECIAL ASSISTANCE FOR MINORITY GROUPS

Considerable testimony was presented to the committee to the effect that one of the major problems confronting minority groups who seek to obtain adequate housing is the inability to secure financing at reasonable rates. Under existing law the President has authority to make the special assistance functions of the FNMA available for the financing of "selected types of home mortgages * * * for segments of the national population which are unable to obtain adequate housing. * * *" He has already exercised that authority in connection with military housing, disaster housing, housing in Alaska, and housing in Guam. The committee believes that the present need for housing of minority groups warrants prompt and affirmative action by the President. We, therefore, urge the President to designate such mortgages as eligible for purchase under the FNMA special assistance functions.

TITLE IV—SLUM CLEARANCE AND URBAN RENEWAL

One of the most important programs administered by HHFA is the program for slum clearance and urban renewal. Although legislation on this subject has existed for several years, new problems constantly arise, and it is necessary to clarify and perfect the statute as experience is gained. This bill contains several amendments each of which is discussed below.

PLANNING ADVANCES TO A SINGLE PUBLIC BODY

The committee has learned that many urban-renewal projects involve the participation of several different local public bodies in the community concerned. In order to reduce administrative problems under such circumstances, this bill authorizes the Housing and Home Finance Agency to make planning advances to a single local public body even though other local agencies may have primary authority for carrying out specific parts of the planning job.

PLANNING THE "REDEVELOPMENT AREA"

Title I of the Housing Act of 1949 provides Federal aid to local public agencies to carry out urban renewal plans. An urban renewal plan may provide for part of an area to be improved by rehabilitation and part to be improved by clearance and redevelopment. The requirement that the redevelopment part of the area be identified and planned in advance increases paper work, serves no purpose, and should be removed. This bill changes the law accordingly.

DEFINING "URBAN RENEWAL PROJECT"

The bill amends the definition of "urban renewal project" in two respects. First, the definition would be simplified to consolidate the provisions relating to slum clearance and redevelopment with those relating to rehabilitation and conservation, thereby avoiding overlapping and duplication in the definition. This is not a substantive change. A second change relates to the present requirement of the law that an urban redevelopment area must (with certain exceptions) either be predominantly residential to begin with or else be redeveloped for predominantly residential uses. This requirement does not presently apply to the entire urban renewal area, but only to those parts which are to be cleared and redeveloped. Under the bill, this requirement would be applicable to the urban renewal area as a whole, including the portions which are to be rehabilitated. Also, a rehabilitation or conservation project involving no land acquisition or slum clearance at all would nevertheless be subject to the "predominantly residential" requirement.

SPECIAL ASSESSMENTS ON REHABILITATED PROPERTIES

Title I of the Housing Act of 1949 permits a locality to count as part of its local contributions to an urban renewal project the cost of certain public improvements which are necessary for carrying out the urban renewal objectives. However, the cost of public facilities financed with special assessments against land in the project area may not be

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counted as part of the local grant-in-aid. The reason for this exclusion is that the levying of a special assessment against land acquired in the project area will tend to lower the resale value of that land. The cost of the public facility is thereby, in effect, transferred to the title I project so that a double allowance would be made if the cost were also credited as a local grant-in-aid. However, this objection applies only to special assessments levied against land *acquired* as part of the project area and later resold for redevelopment. The objection does not apply to land within an urban renewal area which is *not acquired*, but is merely scheduled for rehabilitation and conservation activities. Accordingly, the bill amends the law to provide for deducting from the cost of the facilities, for the purpose of computing the amount of the local grant-in-aid, an amount equal to the special assessments against land in the project area which is acquired by the local public agency as part of the project. No such deduction would be made with respect to the remaining cost of the public facility.

LOCAL TAXATION OF ACQUIRED LAND

In many communities, as permitted by State law, payments in lieu of taxes and sometimes tax payments are made (by operation of law or by voluntary arrangements) on account of land which is acquired as part of an urban renewal project. The payments are made for the temporary period when the land is in public ownership. Such payments are approvable as project costs if they do not exceed taxes which would normally be payable by a private owner with respect to the same land. This bill provides for equitable treatment as between communities which receive such payments and those which do not. This would be accomplished by permitting communities which do not receive such payments to include in gross project cost an amount equal to the ad valorem taxes which would have been levied upon such property if it had been subject to ad valorem taxes. In all cases, in calculating the amount allowable, the amount would be prorated for the period during which the property is owned by the local public agency as part of the project. The inclusion of any such payments in gross project costs would be subject to the approval of the Housing Administrator and such limitations as he may impose.

ADVANCES FOR LONG-TERM PLANNING

Under present law, planning advances are made on the basis of identifiable urban-renewal projects. The committee recognizes that while this is an essential tool for long-term rehabilitation and conservation activities as well as for redevelopment of slums and blighted areas, it is essentially a piecemeal approach. The committee has, therefore, adopted a provision in this bill which would permit advances: (1) to cover a longer period of time, up to 10 years; and (2) to cover a much wider urban area than is covered by the present single project approach, thus enabling the local community to plan ahead and develop a series of projects within the wider urban area. Expenditures made by the local public agency under its contract for planning advances would be considered as part of the gross project cost of the first urban-renewal project in the renewal area. The local public agency must propose to undertake a renewal project embracing at least 10 percent of the planning area.

MAXIMUM AMOUNT OF LOCAL CONTRIBUTION

Although existing law contemplates that net costs of urban-renewal projects shall be shared on a basis of one-third by the local government and two-thirds by the Federal Government, the law is stated in permissive terms so that the actual share of the local government frequently exceeds one-third of net project costs. This bill restates this portion of the law and fixes the ratio clearly so that local governments are not required to pay in excess of one-third of net project costs. The committee expects this provision to be administered so that the Federal share is as close to two-thirds of net project costs as may be practicable.

INCREASE IN CAPITAL-GRANT AUTHORIZATION

In order that the urban-renewal program may proceed with a high level of activity, throughout the fiscal years beginning July 1, 1955 and 1956, the bill increases the capital-grant authorization for each of these fiscal years from $200 million to $250 million.

Citizen and community interest in the urban-renewal program is accelerating almost daily. The urban-renewal program will, under proper management, soon become one of the largest, as well as one of the most important, of the Federal Government's housing programs. Under the 1954 act, 96 communities have secured approval of a workable program. An additional 81 communities have evidenced an interest in urban renewal and now have either submitted for approval or are preparing plans for such a program. In most cases, the approval of a workable program will lead to further activity in the demolition and clearing of slums and in redevelopment or rehabilitation. The committee wishes to emphasize its support of the urban-renewal program and points to the several amendments contained in this bill, including the increase in the capital grant authorization, as concrete evidence of its sincere desire to see the urban-renewal program increased in both size and efficiency.

REIMBURSEMENT TO RESIDENTS AND BUSINESSMEN IN URBAN-RENEWAL AREAS

Perhaps the most difficult problem associated with clearing and rehabilitating a slum area is the avoidance of personal and financial hardships to families and businesses forced to leave the area. The bill amends the law to alleviate such distress. The amendment provides that individuals, families, and business concerns may be reimbursed for expenses or losses, resulting from their displacement from an urban-renewal area and for which reimbursement or compensation is not otherwise made, on the following basis: (1) Necessary moving expenses not to exceed $100 for any individual or family, and (2) business losses, including loss of good will and necessary moving expenses, not to exceed $2,000 for any one business. These payments may be made by the Administrator of the Housing and Home Finance Agency under such reasonable rules and regulations as he may prescribe.

The committee believes that this amendment will not only relieve unusual distress and suffering of tenants (both residential and busi-

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ness) in urban-renewal areas, but will also remove much resistance to urban-renewal planning and execution, thereby fostering the restoration of slum areas.

INCREASING THE DISCRETION OF LOCAL PUBLIC AGENCIES

The committee considered the adoption of a portion of the bill, S. 3158, which would have amended urban renewal legislation to state that:

> the local public agency may exercise discretion with respect to the time of effecting and land acquisitions and the removal of structures thereon in the formulation of any urban renewal plan in the interest of carrying out a project with maximum economy and a minimum of hardship to the residents of an area.

The Housing and Home Finance Agency advised that the type of discretion on the part of the local public agency which is referred to by the proposed amendment may clearly be exercised under present legislation. In view of this fact, the committee determined that an amendment of the statute was unnecessary.

TITLE V—LOW-RENT PUBLIC HOUSING

AUTHORIZATION FOR CONTINUING PROGRAM

This committee has again considered the need for low-rent public housing to help provide adequate shelter for the thousands of low-income families of the Nation who could not otherwise obtain a decent place to live. The Congress has been confronted with this problem for many years and in 1949 enacted a law authorizing a program of financial assistance for 810,000 low-rent housing units to be built, owned, and operated by local public bodies in communities where such housing is needed. In 1956, 7 years later, this goal is yet to be achieved. The PHA Commissioner advises that by July 31, 1956, approximately 315,500 units will have been placed under contract pursuant to the authorization in the Housing Act of 1949. Thus, 7 years after establishment of a goal, that goal is less than 40 percent satisfied. The committee is aware of no other means for housing the families eligible for this program, and is aware of no reason for reducing the goal established in 1949.

Consequently, this bill authorizes the PHA to enter into new contracts for loans or annual contributions until the 810,000-unit program is completed. The bill establishes 135,000 units as the number to be placed under contract in any 1 fiscal year, with a condition that the President may vary this amount down to 50,000 units or up to 200,000 units if conditions in the national economy so require. In addition, the authorization for fiscal year 1957 is increased by the number of units not placed under contract from the 1956 authorization.

The bill also raises from 10 to 15 percent the maximum portion of annual contributions which may be expended within any one State.

The bill repeals a proviso in the 1953 Appropriation Act which prohibits the commencement of construction in any one year of more than 35,000 units. The committee feels that this is an unnecessary restriction on the program. The basic control is the number of units

which may be placed under annual contributions contracts, and a restriction on the number which may be constructed in any one year serves no useful purpose.

In order to assist in meeting the housing needs of elderly persons of low income, both families and single persons, this bill amends the definition of "families of low income" as it appears in the United States Housing Act of 1937. Under the new definition, persons 65 years of age or over, whether married or single, are eligible for admission to public-housing projects if they meet other requirements in the law.

Through the years numerous restrictions placed on the public-housing program have reduced its effectiveness. The committee is satisfied that none of these restrictions is necessary for administration and control of the public-housing program and, therefore, would repeal them.

The committee heard testimony indicating that strict Federal controls are tending to regiment local initiative to the detriment of the program at the local level. This condition was emphasized with respect to the design and type of structures being built for low-rent occupancy. In order to increase the discretion permitted local public bodies, the bill contains a requirement that general standards with respect to minimum space requirements and type of construction will be established by the PHA, but that local public agencies will have more freedom with respect to project size, type, density, and design.

DISPOSAL OF FARM-LABOR CAMPS

The bill directs the PHA to transfer farm-labor camps without monetary consideration to any public-housing agency whose area of operations includes such a project. A request for a transfer under this provision must be made by a local authority within 12 months after enactment. Occupancy preference after transfer would be given first to low-income agricultural workers and their families, and second to other low-income families. Mandatory provision is made for reserving to the United States all mineral rights in the properties.

Farm-labor camps were built in the 1930's by the Resettlement Administration. The Housing Act of 1950 transferred them from the Secretary of Agriculture to the PHA.

Only 16 percent of the 9,049 units in this program are family dwellings with bathroom and kitchen facilities. About 77 percent are 1-room units for living and sleeping purposes, with toilets, running water, and laundry facilities provided in small community buildings. The remaining 7 percent are merely platforms for tents or trailer-parking spaces.

The value of these farm-labor camps, as carried on PHA books, is $11,207,000. In fiscal year 1955, $1,415,000 in rents were collected and expenses totaled $1,355,000. The remaining $60,000 was retained by the local housing authorities as reserves for repair and rehabilitation, the Federal Government receiving no income.

These camps require very substantial improvements if they are to serve the needs of migratory and other agricultural workers. PHA has no funds for this purpose, and under terms of existing contracts the local housing authorities are unable to secure necessary funds from other sources. The local authorities maintain that if they owned the projects they would be able to secure funds for rehabilitation.

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DISPOSAL OF GOVERNMENT-OWNED DEFENSE HOUSING

The bill transfers 41 temporary defense-housing projects constructed or acquired under the Defense Housing and Community Facilities and Services Act of 1951, and 2 Lanham Act war-housing projects, from the Housing Agency to the Department of Defense effective July 1, 1956.

The defense-housing projects to be transferred now comprise approximately 6,000 units, but it is expected that this number will be decreased by about 98 units before the effective date of the transfer by the removal of this number of dwellings from project NC–4D1, Elizabeth City, N. C. The Lanham Act war-housing projects are the Moreno Court projects (FLA–8082 and 8084), Pensacola, Fla., comprising 198 units.

All the defense-housing units are located on or near military posts or reservations and all of the projects listed have been designated by the Department of Defense as necessary to house military personnel.

Section 606 of the Lanham Act now authorizes the transfer of the Moreno Court projects, among others, to local housing authorities for use in providing housing for families of low income and imposes certain conditions with respect to the transfers. Under the Lanham Act, the PHA has entered into contracts with the respective local housing authorities providing for management of the projects. The contracts also contemplated the eventual transfer of the projects to the local authorities for low-rent use if military needs permitted.

After the beginning of the Korean war, transfer of these projects, among others, was suspended at the request of the Department of Defense so that they could be made available for housing military personnel. The Department of Defense needs the Moreno Court projects and the local housing authority has interposed no objection.

The bill further provides that defense housing not transferred to the Department of Defense must be disposed of as expeditiously as possible and not later than June 30, 1957, on a competitive bid basis to the highest responsible bidder. However, the Housing Administrator may reject any bid which he determines to be less than the fair market value of the property and may thereafter dispose of the property by negotiation. It should be noted that this housing consists of temporary units mostly on or adjacent to military reservations. In the case of project IDA–2D1 at Cobalt, Idaho, however, which is needed for continued use on the site in connection with mining operations necessary for defense, sale would be restricted to use on the site.

The bill also directs the Housing Administrator to convey the Lanham Act Tonomy Hill project (RI–37013) at Newport, R. I., to the Housing Authority of the City of Newport in accord with the provisions of section 606 of the Lanham Act but with authority to house military personnel regardless of income and subject to a 3-year preference for military personnel with respect to 360 of the 538 units comprising the project. It is believed that this is the best way of reconciling the need for this particular project by both military personnel and low-income families.

Special consideration was given to the transfer of the two Passyunk Home projects (PA–36011 and 36012) in Philadelphia, Pa., and the bill directs the Housing Administrator to convey these projects to the Housing Authority of Philadelphia under the provisions of section 606 of the Lanham Act.

TITLE VI—MISCELLANEOUS PROVISIONS

COLLEGE HOUSING

The college housing loan program authorized by the Housing Act of 1950, and stimulated by the Housing Amendments of 1955, is now functioning to meet the critical housing shortages on the campuses of the Nation's colleges and universities. Applications are already on hand in a volume which would exhaust the present authorization of $500 million. The need for student, student family, and faculty housing was intensified in the fall of 1955, and will become even more acute in the fall of 1956, due to mounting enrollments, further deterioration of temporary facilities, and the increasing shortage of off-campus housing. Enrollments in colleges and universities in the fall of 1955 were the highest in the Nation's history, almost 2¾ million students, and higher than the veterans' "bulge" in 1949. The projected estimate of enrollments ascends at a rapid rate to more than 3 million in 1960, more than 4 million in 1965, and more than 5 million in 1975.

Off-campus housing, consisting of rooming houses and private homes, which has traditionally provided for student overflow, is diminishing with the obsolescence of older structures and the construction of private homes which have no extra rooms to rent to students. The provision of additional student, student family, and faculty housing is the most pressing concern of almost every college administrator.

In the light of these circumstances, the committee bill increases the authorization for college housing loans by $250 million. This amount should enable this program to continue at a high level of activity and will make a substantial contribution to the educational needs of the country without cost to the Federal Government.

The committee heard testimony that administrative problems are developing because the demands for housing loans are exceeding the loan funds available. It is the committee's desire that the Housing Agency will continue its close cooperation with the Department of Health, Education, and Welfare in administering this program, and that these agencies can devise some system of priorities whereby those colleges and universities which have the greatest need for Federal loans will receive preference.

The committee also learned that the existing law is silent with respect to the eligibility of schools whose sole functions are the training of ministers, priests, rabbis, and other divinity students. Consequently, the bill specifically provides that such schools will be eligible for college housing loans.

RESEARCH

This bill would authorize and direct the Housing Administrator to undertake a comprehensive research program, covering the supply and demand factors affecting the housing market, mortgage market problems, the need for low-income- and middle-income-housing, housing for elderly persons, and related subjects. The Federal Government's stake in the field of housing involves a contingent liability of many billions of dollars. The housing agencies are required every day to make intelligent economic judgments which can only be made on the basis of adequate factual information.

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The committee has received a large volume of testimony citing the inadequacy of the factual information relating to the Nation's housing industry. For example, at hearings on mortgage market problems held this past year, the witnesses expressed widely varying views on many aspects of residential construction and mortgage financing, but all agreed unanimously as to the need for an expanded governmental research program in the field of housing. At legislative hearings, many witnesses urged the committee to authorize many different types of research. Several bills before the committee this year provided for research programs.

This bill includes the research subjects which the committee feels require the most urgent attention. One of the most urgent needs is information which will indicate present and prospective trends in the supply of and demand for housing. The characteristics of the housing market must be better known—the volume of sales, the terms of financing, the trends in prices, and the physical types and sizes of recently completed units. It is also necessary to have much more accurate information regarding the availability of housing credit under various conditions in the housing market and the effect of housing credit on the volume of construction.

The successful operation of FNMA is in large measure dependent upon the completeness and accuracy of that agency's information about mortgage market trends. The committee believes that a study of the economics of housing should focus major attention on the status and method of operation of FNMA.

Another example of the lack of sufficient information is in the field of housing for elderly persons. Among the topics that a research program could explore are: the extent and nature of the market for varying types of housing for elderly persons; the most practicable and suitable design, including mobile homes, of housing for elderly persons; the means of encouraging private enterprise to develop housing suitable for elderly persons; the extent, if any, to which elderly persons are discriminated against by mortgage lenders; the types of housing being provided by private enterprise, voluntary and nonprofit agencies, and public housing authorities for elderly persons, and residential design, assembly methods, and materials use in relation to cost, utility, and comfort.

Another aspect of the housing field that requires continuous reexamination is the extent to which adequate housing, both public and private, is available to the low-income and middle-income families of the Nation. A governmental housing program cannot proceed in an enlightened and orderly fashion unless the housing agencies are informed about the housing needs of the people at all income levels and in all parts of the country. The Housing Agency testified before the committee to the effect that it lacks adequate information about housing needs. Information about such needs, together with related statistics on the market supply and demand, are indispensable to the most effective administration of the HHFA.

In this bill the Housing Administrator is authorized to conduct research through the use of contracts and working agreements with established research organizations. He is authorized to enter into research contracts with agencies of State or local governments, educational institutions, and other nonprofit organizations. He is also authorized to make working agreements, on a reimbursable basis,

with other agencies of the Federal Government. These contracts and working agreements could not exceed $500,000 during the fiscal year 1957, and this amount could be increased by an additional $1 million on July 1, 1957, and $1 million on July 1, 1958.

The housing industry is an integral part of the Nation's economy, and has made a major contribution toward economic expansion during the last decade. The adoption of the research provisions in this bill would yield dividends to the housing industry and the economy as a whole far in excess of the expenditure of the amount needed to finance the program.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Since another provision of the bill raised the maximum permissible amounts of home improvement loans under the FHA title I home modernization insurance program, the committee feels that similar action should be taken with respect to the authority of Federal savings and loan associations to make such loans. Consequently, the bill raises from $2,500 to $3,500 the ceiling on property improvement loans which may be made by Federal savings and loan associations.

Under existing law, Federal savings and loan associations may not use more than 15 percent of their assets to make loans secured by property located more than 50 miles from the association's place of business. In order to stimulate the flow of long-term mortgage credit into capital shortgage areas, or areas not adequately served by mortgage lenders, the committee increased this percentage limitation from 15 to 20 percent.

In view of the fact that many communities are not adequately served by institutions which supply long-term capital, the committee recommends that the Federal Home Loan Bank Board undertake a study to assess the need for chartering additional numbers of Federal savings and loan associations, and that the findings and recommendations resulting from this study be made available to the Banking and Currency Committees of the Senate and the House of Representatives.

COMMISSION ON NATIONAL HOUSING POLICY

As stated elsewhere in this report, the committee is concerned with the need for informed opinion on the prospective residential housing needs of the country and the capacity of the economy in general and of the building industry and mortgage market in particular to meet these needs. In an attempt to obtain this informed opinion, this bill establishes a Commission on National Housing Policy to conduct an inquiry on this subject and to report its findings to the Congress and the President by June 30, 1957. Interim reports may also be made.

The Commission would be composed of 11 members, as follows: The Administrator of the Housing and Home Finance Agency, the Administrator of Veterans' Affairs, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board, the Secretary of the Treasury, and six persons to be appointed by the President from private life, such persons to be selected on the basis of their qualifications and experience in the fields of housing or mortgage finance. Staff and other necessary expenses would be paid from appropriations authorized by the bill.

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Among other things, the Commission would undertake a study of and report upon the short-term and long-term housing needs of the Nation, housing of low- and middle-income families, the discounting of Government-supported mortgages, the prospects for developing new sources of investment funds, and the extent to which resources of the Federal National Mortgage Association can be used to stabilize the mortgage market.

FARM HOUSING

The committee has carefully considered proposals to amend title V of the Housing Act of 1949. These amendments as reported would authorize (1) $450 million for direct farm housing loans to be available during a 5-year period; (2) an additional $10 million for contributions by the Secretary of Agriculture to prevent defaults in payments on loans for potentially adequate farms; and (3) an additional $50 million, to be available during a 5-year period beginning July 1, 1956, for grants and loans for improvement and repair of certain farms as well as for enlargement and development of farms.

It is believed that these amendments will be especially beneficial to (1) capable young farmers with little accumulated money or resources who are finding it more and more difficult to meet the increasing capital requirements of farming in a period of drastic income decline, (2) families who have been unable to obtain the credit needed to construct or make changes in existing service buildings to keep pace with changing agricultural patterns, and (3) rural families that are not engaged in farming on a full-time basis because of inadequate land resources or other reasons.

During the entire life of the farm loan program under title V, some 19,000 initial loans were made for a total of $97 million. The administration has not used this program since June 30, 1954, despite the need for it as shown by the increase in loans made under the Bankhead-Jones Act during the same period. Even though the Bankhead-Jones Act does not provide the full coverage of title V, its loan volume increased from $28 million in 1954 to $41 million for the first 10 months of 1955.

From the standpoint of economic soundness, the records of the title V farm loan program indicate that a great preponderance of the loans made have been sound. There have been very few foreclosures under the program.

Title V of the Housing Act of 1949 provides for:

(1) Loans for housing and buildings on adequate farms up to 33 years at not more than 4 percent interest.

(2) Similar loans for housing and buildings on potentially adequate farms, supplemented by annual contributions applied as a partial credit on interest and principal payments, to owners of farms which through enlargement or improvement can be made self-sustaining within a period of not more than 10 years.

(3) Loans and grants for minor improvements and minimum repairs to farmhouses and buildings to assure decent, safe, and sanitary housing and buildings, and loans to enlarge or develop farms.

Assistance can be provided to farm owners for themselves or for their tenants, lessees, sharecroppers, or laborers. A "farm" is defined as a parcel or parcels of land operated as a single unit which is used for the production of agricultural commodities and which customarily

produces or is capable of producing such commodities of a gross annual value of not less than the equivalent of $400 in 1944.

Although these amendments authorize availability of some $500 million over a 5-year period, it is not a new loan authority, but an effort to renew the unused loan authority which has accumulated under title V since its inception in 1949. Irrespective of the fact that more than $100 million was authorized under title V for this fiscal year, no loans have been made thus far, and the Administration has only recently requested a supplemental appropriation of $5 million to revive its lending activity under title V.

The committee wishes to emphasize the need for research and technical studies relating to the construction of adequate farm dwellings. Section 506 of title V of the Housing Act of 1949 specifically authorizes such research, and the committee believes that an aggressive program under this authority would do much toward improving living conditions of the Nation's low-income farm families. It is our intention that the Secretary of Agriculture use this authority and report his progress to the committee for its use in the next session of Congress.

HOSPITAL CONSTRUCTION

The bill would revive and extend to June 30, 1957, that portion of the Defense Housing and Community Facilities and Services Act of 1951, which authorizes loans or grants for hospital construction. One of the purposes of the act of 1951 was to provide needed community facilities in areas, designated as "critical" by the President, in which there was an influx of population caused by defense activities. During the life of this program, the applications of 6 communities were approved, but the applications from 22 other communities were pending at the time the authority under the act expired. The program contemplated undertakings on the part of local communities which in many instances required substantial expenditures of local funds. These expenditures were made in the expectation that the application for Federal assistance would be approved prior to the expiration of the law.

The committee is satisfied that the Federal Government has some moral obligation to help alleviate the critical shortage of hospital facilities in those defense areas where the locality undertook a program of hospital construction in the expectation that Federal funds would be available. Consequently, this bill extends this portion of the Defense Housing and Community Facilities and Services Act of 1951 for 1 year and authorizes expenditures of Federal funds up to $5 million for each of the fiscal years ending June 30, 1956, and June 30, 1957.

SALE OF HOUSING PROJECTS

Chinquapin Village

Section 607 of the Lanham Act contains general authority for the disposition of war housing constructed under that act. In such disposition, preferences are granted to occupants and veterans.

This bill suspends section 607 of the Lanham Act to provide that in the case of project Virginia 44131 (Chinquapin Village) the project may be sold to the city of Alexandria, Va., or to the Alexandria Redevelopment and Housing Authority without regard to the preferences of the Lanham Act.

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Any sale under this authorization would be made on the basis of an independent appraisal by a real estate expert and at fair market value. The amount received for the project must be reported to the Banking and Currency Committee of each House of the Congress. The provisions of the bill would be effective only during the period ending 6 months after the date of approval of the bill.

Chinquapin Village, consists of 300 dwelling units constructed in 1940 for defense workers. The underlying land comprises approximately 41 acres in the city of Alexandria, Va. The dwellings are duplexes of permanent frame construction. The project is currently almost 100 percent occupied.

No objection has been raised regarding the sale of this project.

Welles Village

Public Law 345, 84th Congress, authorized the sale of war-housing project CONN–6028, known as Welles Village, to the housing authority of the town of Glastonbury, Conn. The authority to sell this property will terminate on August 11, 1956. The local housing authority of Glastonbury has indicated its desire to purchase the property, but the transfer cannot be made within the allotted time because financial arrangements are not yet completed. The housing authority, therefore, has requested an additional period of time within which to make this purchase.

This bill would grant an additional 12 months within which the housing authority of Glastonbury may purchase Welles Village.

CITY PLANNING SCHOLARSHIPS AND FELLOWSHIPS

The committee received testimony that the achievement of the housing goals of the nation is severely hampered by the lack of qualified professional city planners and housing technicians and specialists. In order to help solve this problem, the bill contains a provision authorizing the Housing and Home Finance Administrator to grant scholarships and fellowships in public and private nonprofit institutions of higher education for the graduate training of professional city planning and housing technicians and specialists. Persons shall be selected for such scholarships solely on the basis of ability. The bill authorizes appropriations of $500,000 annually for a 3-year period, beginning on or after July 1, 1956.

Cordon Rule

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate in connection with this report.

Section-by-Section Analysis

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

Section 101.—(a) Amends section 2 (a) of the National Housing Act to extend the title I property improvement program of the FHA 3 years until September 30, 1959.

(b) Amends section 2 (b) of the National Housing Act to: (1) increase the maximum permissible loan for improvement of existing single-family structures from $2,500 to $3,500; (2) permit the FHA Commissioner to increase the maximum maturity to 5 years on loans for improvement of single-family structures; (3) require an interest rate ceiling of 5 percent discount a year up to $2,500 and 4 percent discount on that portion of a loan in excess of $2,500; (4) increase the maximum permissible loan for the improvement of multifamily structures from $10,000 to $15,000, with an average of $2,500 per family unit.

Hazard insurance on FHA acquired properties

Section 102.—Amends title I of the National Housing Act by adding a new section 10 to authorize the FHA Commissioner to establish a fire and hazard loss fund for self-insurance of acquired properties.

Cooperative housing insurance

Section 103.—Amends section 213 (b) (2) of the National Housing Act to reduce from 65 to 50 percent the proportion of veterans required to qualify the cooperative for a 95-percent mortgage loan and for higher room and unit mortgage amount limits. This amendment would also permit World War I veterans to be counted in determining the percentage of veteran cooperators.

General mortgage insurance authorization

Section 104.—Amends section 217 of the National Housing Act to increase the general insurance authorization of the FHA by adding $3 billion to the amount of insurance outstanding as of July 1, 1956.

Housing in urban-renewal areas

Section 105.—Amends section 220 (d) (3) (B) (iii) to increase mortgage limits up to $1,000 per room or per unit in high-cost urban-renewal areas. This increase is applicable to both elevator and garden-type apartments.

Low-cost housing for displaced families

Section 106.—Amends section 221 of the National Housing Act to: (1) increase the maximum permissible mortgage amount from $7,600 to $8,000 (from $8,600 to $10,000 in high-cost areas); (2) permit insurance of mortgages amounting to 100 percent of the value on both rental and sales housing, except that for sales housing the borrower must pay $200 cash, which may include settlement costs, taxes, etc.; (3) increase the maximum maturity of insured loans from 30 to 40 years on both sales and rental housing.

Cost certification of rental housing

Section 107.—Amends section 227 of the National Housing Act to: (1) provide that a cost certification, when approved by the FHA Commissioner, shall be final and incontestable, except for fraud or misrepresentation on the part of the mortgagor; (2) provide that there shall be included in actual cost an allowance for sponsor's profit, in the case of a mortgage insured under section 220, up to but not over 10 percent of all project costs (not including the cost of land).

Military housing

Section 108.—(a) Amends section 801 (g) of the National Housing Act to permit construction of projects on Midway Island and in the Canal Zone.

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(b) Amends section 803 (a) of the National Housing Act to: (1) Increase the FHA title VIII insurance authorization from $1,363,500,000 to $3 billion; and (2) extend the program for 3 years until September 30, 1959.

(c) Amends section 803 (b) (2) of the National Housing Act to require the Secretary of Defense, in programing additional military-housing units, to determine, with the approval of the FHA Commissioner, that the new units will not substantially curtail occupancy in existing housing covered by FHA-insured mortgages. If the FHA Commissioner does not approve additional units, and he requires the Secretary of Defense to guarantee the armed services housing mortgage insurance fund from loss, he shall report to the Committees on Banking and Currency of the Senate and House of Representatives each instance in which he required such a guaranty.

(d) Amends section 803 (b) (3) of the National Housing Act to increase the maximum average unit cost of military housing from $13,500 to $15,000 for any single project, and sets a servicewide ceiling on average unit cost of $14,250.

(e) Amends section 803 (b) (3) of the National Housing Act and sections 403 (a) and 403 (b) of the Housing Amendments of 1955 to make a number of technical changes.

(f) Amends section 403 (a) of the Housing Amendments of 1955 to clarify the bonding requirements imposed upon contractors who build under this act.

(g) Amends section 405 of the Housing Amendments of 1955 to increase from $9 million to $18 million the total permissible monthly payment by the Armed Forces to amortize military housing mortgages.

(h) Amends section 406 of the Housing Amendments of 1955 to require plans and specifications to follow the principle of modular measure.

(i) Amends section 407 of the Housing Amendments of 1955 to permit the use of military construction funds for purposes other than the amortization of outstanding mortgages.

(j) Amends title IV of the Housing Amendments of 1955 by adding a new section 410 establishing maximum limits, based on military rank, on net floor area for each unit of military housing.

TITLE II—HOUSING FOR ELDERLY PERSONS

Private housing for elderly persons

Section 201.—(a) Amends section 203 (b) (2) of the National Housing Act to permit a third party to pay the required downpayment for a mortgagor 60 years of age or over.

(b) Amends title II of the National Housing Act by adding a new section 229 to enable the FHA to insure mortgages financing the construction or rehabilitation of housing for elderly persons 60 years of age or over, as follows:

(1) On sales housing, mortgage insurance could be up to 100 percent of value, except that the borrower must pay $200 cash, which may include settlement cost, taxes, etc. The maximum mortgage amount is set at $8,000 ($10,000 in high-cost areas). The maximum maturity would be 40 years.

(2) On rental housing, mortgage insurance would be available for 2 classes of mortgagors: if the mortgagor is an acceptable public or

private nonprofit organization, or a public body of any type, an insured mortgage would be up to 100 percent of value, the maximum mortgage amount would be $12,500,000, with a per unit ceiling of $8,000 ($10,000 in high-cost areas); for all other mortgagors, an insured mortgage would be up to 90 percent of value, the maximum mortgage amount would be $12,500,000, with a per unit ceiling of $7,200 ($9,000 in high-cost areas). The maximum maturity would be 40 years.

(3) On both sales housing and rental housing for elderly persons, third parties may provide financial assistance. On sales housing, a third party may pay the required downpayment. On rental housing, a third party may contribute toward rental payments, and may assist in meeting equity requirements.

(4) An elderly persons housing insurance fund is established as a revolving fund for carrying out the provisions of this new section. A sum of $1 million is authorized to be transferred from the war housing insurance fund.

(c) Requires that mortgages secured by section 229 housing are subject to existing requirements in the National Housing Act covering labor standards, transfer of moneys among insurance funds, availability of FHA appraisals to purchasers, cost certification, and transient occupancy.

(d) Amends section 305 of the National Housing Act to authorize FNMA to enter into advance commitment contracts, up to $50 million outstanding at any one time, on elderly persons housing. A maximum of $5 million of this authorization (revolving) would be available in any one State.

Public housing for elderly persons

Section 202.—(a) Amends section 2 of the United States Housing Act of 1937 to permit the admission to public housing of a single person 65 years of age or over.

(b) Amends section 10 of the United States Housing Act of 1937 by adding a new subsection (m) to authorize 15,000 units for elderly persons for each of 5 years beginning July 1, 1956, and increases the authorization provided for annual contributions by $6 million a year for 5 years. This authorization would be in addition to any other authorization for low-rent public-housing units. Elderly persons would be eligible on a first-preference basis for admission to units specifically designed for them and on a first-preference basis to any suitable units in other public-housing projects. The requirement that persons admitted to low-rent public-housing units must come from unsafe and insanitary dwellings or be displaced by Government action would be waived in the case of elderly persons.

(c) Amends section 15 (5) of the United States Housing Act of 1937 to authorize an increase, from $1,750 to $2,250 per room, in the maximum cost, if the unit is specifically designed for elderly persons.

(d) Amends section 21 (d) of the United States Housing Act of 1937 to increase the total authorization for annual contributions by $30 million.

Elderly persons advisory committee

Section 203.—Requires the Housing Administrator to establish an advisory committee on matters relating to housing for elderly persons.

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TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

Section 301.—Amends section 302 (b) of the National Housing Act to remove the $15,000 ceiling on mortgages covering housing in Alaska, Guam, and Hawaii when purchased under the Association's special assistance functions.

Section 302.—Amends section 303 (b) of the National Housing Act to reduce the amount of FNMA stock, which sellers of mortgages are required to buy, from a minimum of 3 percent of the unpaid principal of the mortgage to a minimum of 1 percent.

Section 303.—Amends section 304 (a) of the National Housing Act to change the criterion for FNMA purchases from "at the market price" to "within the range of market prices."

Section 304.—(a) Amends section 305 (b) of the National Housing Act to require FNMA to purchase at par all mortgages acquired under its special assistance functions.

(b) Amends section 305 (e) of the National Housing Act to require that the FNMA $5 million advance commitment limit per State for cooperative housing mortgages be operated as a revolving fund.

Sections 305 and 306.—Amend section 305 and 306 of the National Housing Act to correct a printer's error and to eliminate an obsolete provision.

TITLE IV—SLUM CLEARANCE AND URBAN RENEWAL

Section 401.—Amends section 102 (d) of the Housing Act of 1949 to authorize HHFA to make urban renewal planning advances to a single local public body acting on behalf of all local bodies having authority for surveys and plans for an urban renewal project.

Section 402.—(a) Amends section 105 (a) and section 110 (b) of the Housing Act of 1949 to enable the HHFA to make loans or capital grants on the basis of a local plan covering a general urban renewal area, without requiring the local public agency to identify and submit in advance a plan for the redevelopment of a particular project area.

(b) Amends section 110 (c) of the Housing Act of 1949 to change the definition of "urban renewal project" in two respects. First, the various parts of the definition would be rearranged to consolidate the provisions relating to slum clearance and redevelopment with those relating to rehabilitation and conservation. Second, the requirement that an urban renewal project area be predominantly residential would apply to the entire urban renewal area, including the parts to be rehabilitated.

(c) Amends section 110 (d) of the Housing Act of 1949 to provide that the cost of public facilities financed through special assessments against real property in a project area may be counted as a local grant-in-aid contribution, where the property is to be rehabilitated but not acquired.

(d) Amends section 110 (e) of the Housing Act of 1949 to authorize local public agencies that do not pay taxes on land held for urban renewal purposes to include an amount equal to such taxes in computing their gross project costs.

Section 403.—(*a*) Amends section 102 (d) of the Housing Act of 1949 to permit advances for "general neighborhood renewal plans" for urban renewal areas of such scope that urban renewal therein may be carried out in stages rather than in a single project.

(b) Amends section 104 of the Housing Act of 1949 to provide that local grants-in-aid shall be a maximum of one-third of aggregate net project costs.

(c) Amends section 103 (b) of the Housing Act of 1949 to increase the capital grant authorization under the slum clearance and urban renewal program from $200 million to $250 million for the years beginning July 1, 1955, and July 1, 1956.

Section 404.—Amends section 106 of the Housing Act of 1949 to provide financial assistance to an individual, family, or business concern displaced from an urban renewal area, as follows: (1) not to exceed $100 for necessary moving expenses for any individual or family; and (2) not to exceed $2,000 for any business concern for business losses, including loss of goodwill and necessary moving expenses.

TITLE V—PUBLIC HOUSING

Low-rent public housing

Section 501.—(a) Amends section 10 (i) of the United States Housing Act of 1937 to restore the public housing program to the numbers originally provided in the Housing Act of 1949; i. e., a total program of 810,000 units, to be constructed at an annual rate of 135,000 units. For the fiscal year 1956, the authorization of 135,000 units may be increased by the unused portion of the 45,000 units authorized for the fiscal year 1955 under prior legislation. The President is authorized to increase the 135,000 unit figure by 65,000 units, or decrease it by 85,000, upon a determination that economic conditions warrant such a change.

(b) Amends section 13 of the United States Housing Act of 1937 to authorize the PHA to establish general physical standards covering public housing projects, and requires it to allow local agencies maximum discretion as to size of project, type of dwellings, and project densities and design.

(c) Amends section 21 (d) of the United States Housing Act of 1937 to increase from 10 percent to 15 percent the maximum portion of annual contribution and grant funds for public housing which may be made to any one State.

(d) Repeals certain portions of the United States Housing Act of 1937 and certain provisions in appropriation acts to eliminate restrictions that have been placed upon the original public housing provisions of the Housing Act of 1949.

Farm-labor camps

Section 502.—Amends section 12 of the United States Housing Act of 1937 to direct the PHA, upon request, to transfer farm-labor camps to local public housing agencies, without compensation, and within 12 months of enactment. First occupancy preference is given to low-income agricultural workers, and second preference to other low-income workers. Mineral rights are reserved for the United States.

Disposition of defense housing

Section 503.—(a) Provides for the transfer of 41 temporary defense housing projects constructed or acquired under the Defense Housing and Community Facilities Act of 1951, and two Lanham Act war housing projects, from the Housing Agency to the Department of Defense, effective July 1, 1956.

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(b) Provides that 1951 act defense housing not transferred to the Department of Defense must be disposed of as expeditiously as possible, not later than June 30, 1957, on a competitive bid basis; project IDA-2D1 at Cobalt, Idaho, to be sold for on-site use only.

(c) Directs the HHFA to convey the Lanham Act Tonomy Hill project (RI-37013) at Newport, R. I., to the Housing Authority of the city of Newport, and the Lanham Act Passayunk projects (PA-36011 and PA-36012) in Philadelphia, Pa., to the Housing Authority of the city of Philadelphia.

(d) Amends the Lanham Act by adding a new section 614 to accelerate the disposition of those projects which must be sold for off-site use or as entire projects.

TITLE VI—MISCELLANEOUS

College housing

Section 601.—(a) Amends section 401 (d) of the Housing Act of 1950 to increase the revolving fund for college housing loans from $500 million to $750 million.

(b) Amends section 404 (b) of the Housing Act of 1950 to permit HHFA to make college housing loans to divinity schools.

Research

Section 602.—Authorizes and directs the Housing Administrator to conduct a research program covering the supply and demand factors affecting the housing market, mortgage market problems, the need for low-income and middle-income housing, housing for elderly persons, and related subjects. The Administrator is authorized to enter into research contracts with agencies of State or local governments, educational institutions, and other nonprofit organizations, and to make working agreements, on a reimbursable basis, with other agencies of the Federal Government. These contracts and working agreements must not exceed $500,000 during the fiscal year 1957, and this amount shall be increased by an additional $1 million on July 1, 1957, and $1 million on July 1, 1958.

Federal savings and loan associations

Section 603.—(a) and (b) Amend section 5 (c) of the Home Owners' Loan Act of 1933 to permit Federal savings and loan associations to increase their maximum permissible home-improvement loan from $2,500 to $3,500, and to permit them to increase from 15 to 20 percent the proportion of their assets that may be loaned on property located beyond 50 miles from the association.

Commission on National Housing Policy

Section 604.—Provides for the establishment of a Commission on National Housing Policy, to make recommendations, by June 30, 1957, relating to the short-term and long-term housing needs of the Nation; the discounting of Government-supported mortgages; the prospects for developing new sources of investment funds; the extent to which the resources of FNMA can be used to stabilize the mortgage market; and ways and means of increasing the supply of adequate housing for families of moderate income. The Commission would consist of 11 members—5 officials from the executive branch of the Federal Government, and 6 persons to be appointed by the President from private life.

Farm housing

Section 605.—Amends title V of the Housing Act of 1949 to authorize, for a 5-year period beginning July 1, 1956, and ending June 30, 1961, (1) $450 million for farm housing loans, (2) $10 million for contributions by the Secretary of Agriculture to prevent defaults in payments of loans for potentially adequate farms, and (3) $50 million for grants and loans for improvement and repair of certain farms.

Hospital construction

Section 606.—Revives and extends, until June 30, 1957, the authority of the Housing Administrator to make hospital construction loans or grants or other payments under the Defense Housing and Community Facilities and Services Act of 1951, in cases where loans, grants or payments were denied solely because of the unavailability of funds. For each of the fiscal years 1956 and 1957, the sum of $5 million is authorized to be expended from appropriations.

Sale of housing projects

Section 607.—(a) Authorizes the Housing Administrator to sell VA-44131, the Chinquapin Village housing project, to the City of Alexandria, Va., or to the Alexandria Redevelopment and Housing Authority.

(b) Amends section 108 (c) of the Housing Amendments of 1955 to increase from 12 months to 24 months the period of time during which Lanham Act project CONN–6028 may be sold to the housing authority of the town of Glastonbury, Conn.

City planning scholarships and fellowships

Section 608.—Authorizes $500,000 annually for a 3-year period, beginning July 1, 1956, to be used by the Housing and Home Finance Administrator to provide scholarships and fellowships in public and private nonprofit institutions of higher education for the graduate training of professional city planning and housing technicians and specialists.

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Calendar No. 2023

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2006

AUTHORIZING THE SALE OF GOVERNMENT-OWNED HOUSING TO THE CITY OF HOOKS, TEX.

MAY 15 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 7540]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 7540) to provide for the sale of Government-owned housing project to the city of Hooks, Tex., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

This bill authorizes and directs the Administrator of the General Services Administration to sell and convey to the city of Hooks, Tex., the North Village project, Texas 41142, whenever such project is determined by him to be surplus to the needs of the Government. Any sale under this authorization would be made at fair market value as determined by the Administrator on the basis of an appraisal made by an independent real-estate expert.

The property described in this bill comprises 80.74 acres of Government-owned land on which 248 housing units were constructed by the Public Housing Administration. In December 1948, the Administrator of the HHFA transferred the project without reimbursement to the Department of the Army. The project has been used for housing personnel at the Red River Arsenal, which is located near Texarkana, Tex. The Department of the Army has reported that retention of the project for this purpose is no longer required. The Department proposes to transfer the property to the General Services Administration for further Federal utilization or disposition as surplus property in accordance with the Federal Property and Administrative Services Act of 1949.

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The city of Hooks, Tex., has shown its desire to purchase the project when it is declared surplus. City officials have indicated that under city ownership employees of the Red River Arsenal will continue to be housed in the project as long as the arsenal is in existence.

Authority of the General Services Administration to make negotiated disposals of surplus property has lapsed, and under existing law public advertising and competitive bidding would be required for the disposal of the property. This bill permits the Administrator to negotiate the sale of North Village project with the city of Hooks, Tex.

The Administrator of GSA reports on H. R. 7540 as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., February 17, 1956.

Re H. R. 7540.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Further reference is made to your letter of February 6 requesting the views of this agency on H. R. 7540, as passed by the House of Representatives, for the sale of a housing project to the city of Hooks, Tex.

The bill directs the Administrator of General Services to sell to the city of Hooks, Tex., at its fair market value as determined by appraisal, the North Village housing project consisting of 248 dwelling units, whenever the project is determined by him to be surplus.

It is understood that the property is now held by the Department of the Army and that the Army proposes to report the property as excess to this agency if not needed by the Department of Defense.

Should this agency determine that the property is surplus, under existing law public advertising would be required for the disposal of the property. Authority of this agency to make negotiated disposals of surplus property has lapsed, although there are now pending two bills to restore such authority (H. R. 7855, S. 2668).

In view of the public purpose to be served by the disposal and the fair price stipulated, this agency would not object to enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Cordially yours,

EDMUND F. MANSURE, *Administrator.*

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